# BUSINESS FFK

JULY 13, 1946



BUSINESS WEEK NDEX

40-30-

20-10-00-90-80-70-

160-150-40-130-120-110-100-90-80-70-60-50-40-30-

TWENTY CENTS . PUBLISHED BY THE McGRAW-HILL P

DEVEROUN MICH DEAR JORN EXP LAB GUANOC DAM SZIM PORD MIR CO LIBR

# Payoff inside a pulverizer!



FOLLOW those hefty steel balls shown grinding coal lumps to fine dust inside this big pulverizer. Imagine the loads that lubricating oil has to carry on the bearings and gears.

This is a typical example of how Correct Lubrication by Socony-Vacuum helps maintain efficient, low-cost operation. There are others in almost every machine in every industry.

Here, for example, the weight of the entire operating mechanism rests on thin films of oil under the thrust bearing at the base. Those precision-cut gears and roller bearings operate under continuous high pressures. Yet a special Gargoyle circulating oil cushions the shocks, protects against wear, stands up for long periods of service even though operating temperatures may be high due to induced heat.

The result - more continuous production, reduced maintenance and lower oil costs - the same factors that you get for all your machines with Socony-Vacuum's correct oils and greases.

SOCONY-VACUUM OIL CO., INC.

and Affiliates: Magnolia Petroleum Co., General Petroleum Corporation

Call in SOCONY-VACUUM for this Correct Lubrication Program

- Lubrication Study of Your **Entire Plant**
- Recommendations to Improve Lubrication
- Lubrication Schedules and Controls
- Skilled Engineering Counsel
- **Progress Reports of Benefits** Obtained





# Tire costs slashed—two mountains moved for the price of one

A typical example of B. F. Goodrich development in tires

TRUCKS like this one can move twenty tons of dirt or rock at a clip. But the big tires, costing as much as \$700 apiece, often wore out in a hurry. Bruises and blow-outs took a heavy toll. Some tires lasted only weeks.

Then B. F. Goodrich research engineers developed a new construction principle for tires that had to carry these freight-car loads over rocks and ruts.

They put a shock-shield under the tread. It's a special insulated breaker construction that absorbs the shock of impact—reducing the blow that's passed on to the cord body.

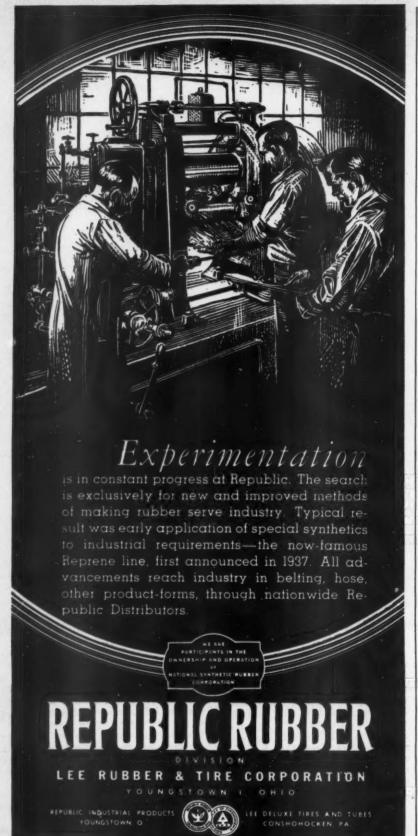
The tires shown in the picture are built with this construction. Results in terms of greater tire life are so outstanding that hauling costs are lowered for the companies which standardize on these tires. For example: one check completed early this year showed six B. F. Goodrich tires with shock-shield averaged 4571 hours of service against 1600 hours for another make. This means that more than twice as much earth was moved for the same tire cost.

Another operator reports 17,599 miles compared to 6476 miles for the best of other brands. Another contractor tried three makes of tires; at

the end of the test period 24 out of 70 Brand "A" tires failed, 7 out of 40 Brand "B" failed. Not one of 38 B. F. Goodrich tires failed!

Here is another typical example of how B. F. Goodrich research can help you reduce your tire costs. If you use tires for off-the-road vehicles, trucks, or any other purpose, check the B. F. Goodrich man before you buy again. He can save you money. The B. F. Goodrich Company, Akron, Obio.

Truck Tires ...
B. F. Goodrich



## BUSINESS WEEK

Business Abroad	93
Finance	34
General News	15
Insurance	29
The International Outlook	91
Labor	72
The Labor Angle	76
Marketing	58
The Markets	98
New Products	54
The Outlook	9
Production	44
The Trend	100
Washington Bulletin	5

FDITOR Ralph Smith

MANAGING EDITOR Louis Engel

ASSISTANT MANAGING EDITORS John M. Johnston, Clark R. Pace

NEWS EDITORS

Gordon A. Ewing, Wayne Jordan, Henry R. Lamar, Raymond A. Dodd (Illustration)

STAFF EDITORS

Foreign, John F. Chapman • Business Policy, John L. Cobbs . Law, Joseph A. Gerardi . Finance, Liam McKee Gillingham • Marketing, Edgar A. Grunwald • Labor, Merlyn S. Pitzele • Production, John Sasso • Industry, James M. Sutherland • Washington, Irvin D. Foos

EDITORIAL ASSISTANTS

EDITORIAL ASSISTANTS
Cora Carter, Brownlee Haydon (Assistant Foreign
Editor), John Hoffman, Richard M. Machol,
Mary Richards (Assistant Marketing Editor),
Arthur Richter, Margaret Timmerman, E. T.
Townsend (Assistant Labor Editor), Doris I.
White • Statistician, Bram Cavin • Librarian,
Patricia Burke

ECONOMIC STAFF

Dexter M. Keezer, Sanford S. Parker, William F. Butler, John D. Wilson

EDITORIAL BUREAUS

Chicago, Arthur Van Vlissingen, Robert N. Rogers, Mary B. Stephenson • Cleveland, Robert E. Cochran • Detroit, Stanley H. Brams • Robert E. Cochran • Detroit, Stanley H. Brams • San Francisco, Richard Lamb • Washington, McGraw-Hill Bureau (Irvin D. Foos, Robert B. Colborn, Stuart Hamilton) • London, Stanley A. Tucker, Howard P. Whidden, Jr. • Staff Correspondents throughout the U. S. and abroad.

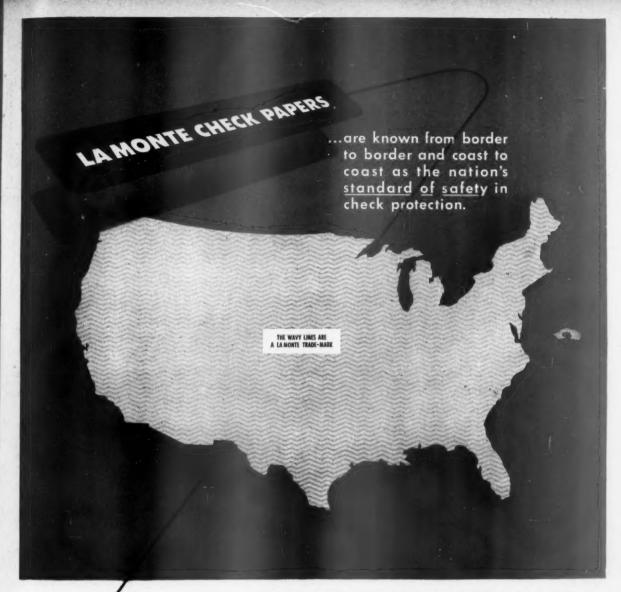
PUBLISHER Paul Montgomery

ADVERTISING MANAGER H. C. Sturm

BUSINESS WEEK . JULY 13 . NUMBER 880

BUSINESS WEEK • JULY 13 • NUMBER 880

(with which are combined The Annalist and the Magazine of Business) • Published weekly by NicGraw-Hill Publishing Company, Inc., James H. McGraw, Founder and Honorary Chairman • Publication Office 99129 North Broadway, Albany I, N. Y. Editorial and Executive Offices, 330 W. 42nd 5t., New York 18 • James H. McGraw, Jr., President; Curtis W. McGraw, Senior Vice-President and Treasurer; Nelson Bond, Director of Advertising; Eugene Duffield, Editorial Assistant to the President; Joseph A. Gerardi, Secretary • Address correspondence regarding subscriptions to J. E. Blackburn, Jr., Director of Circulation, Business Week, 99-129 N. Broadway, Albany I, N. Y. or 330 West 42nd 5f., New York 18, Allow ten days for change of address. Subscription rates – United States and passessions \$5.00 a year. Canada \$6.00 for a year, Pan American countries \$10 a year. All other countries \$20 a year • Entered as second class matter December 4, 1936, at the Post Office at Albany, N. Y., under the Act of March 3, 1879. Return postage guaranteed • Printed in U. S. A. Copyright 1946 by McGraw-Hill Publishing Company, Inc. • All Rights Reserved,



For Samples of La Monte Safety Paper see your Lithographer or Printer - or write us direct.

## La Monte SAFETY PAPER FOR CHECKS

GEORGE LAMONTE & SON, NUTLEY, NEW JERSEY

#### A CHECK PAPER ALL YOUR OWN

Why not follow the lead of America's outstanding banks and corporations? Let us reproduce your trade-mark in the paper itself. Such individualized check paper provides maximum protection against counterfeiting—saves banks sorting time—helps prevent errors.



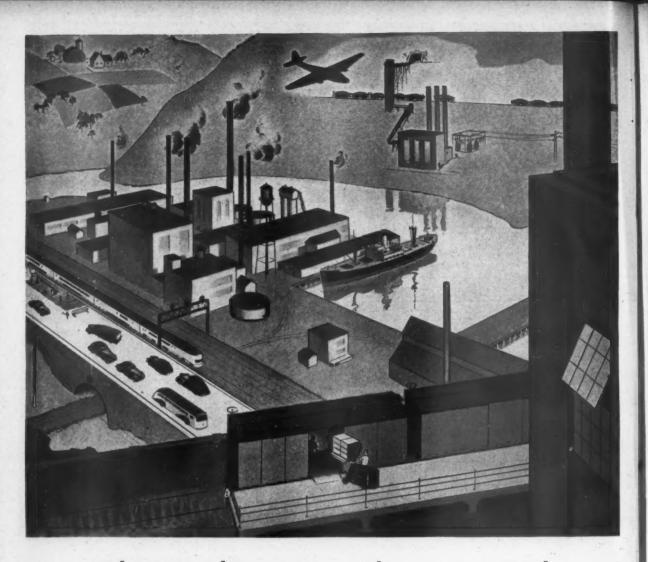


R.

A.

n,

m



# Wherever things are made ... or moved ... packaged electricity is at work

All around you packaged electricity is at work supplying highly concentrated power...in industry, public utilities, mining, communication and transportation...performing widely varied tasks...helping to reduce effort, speed up production, make life safer and more enjoyable.

It is the modern storage battery power source of countless applications. And Exides serve them all. Whatever the storage battery need, there is an Exide of the right size, capacity and construction. They're widely used to furnish safe, dependable power... for electric industrial trucks and mine haulage units... for telephone, telegraph, railroad and radio station equipment... for aircraft, diesel engines, emergency lighting, and numerous other uses. And

Exide

on millions of cars, trucks and buses, they.continue to prove every day that "When it's an Exide, you start."

For 58 years, the name Exide has meant dependable, economical, long-lasting batteries. Ask for information about applications of storage batteries to any business or industrial need. It is available on request.

THE ELECTRIC STORAGE BATTERY COMPANY
Philadelphia 32

Exide Batteries of Canada, Limited, Toronto

W

LAS

The price purely tisan blame Taft: a rise ever l Ta sendi cally stuck

off g
Thegy wer a
His
veto
make
cont
H

PUI E islat

well

disp bers min mit trat beer revi ther tod

it, whi

bou

pie

son mi in har

egy est

23 BU

## WASHINGTON BULLETIN

#### LAST ACT

The great congressional battle over price control finally got down to a purely political level, not strictly a partisan issue but still a fight to shove the blame on the other fellow. Truman or Taft: Whom would the public blame for a rise in prices that was inevitable what-

ever happened?

Taft had won the first round by sending the President a bill that practically freed prices yet left Truman stuck with the responsibility of holding down the cost of living. Truman hurled it back, his surprise veto catching Taft

off guard.

The Republican second-round strategy was designed to repeat the maneuver and put Truman on the spot again. His choice: an ineffective bill or a veto that, this time, would definitely make him "the man who killed price control."

How much that label might hurt depended on the course of inflation, but the President's political advisers could well pray for a deadlocked Congress and

no bill.

#### PURELY AN INQUIRY

Don't count very heavily on any legislation emerging next year from a joint congressional investigation of labor disputes, which is now assured. Membership will be drawn from the unionminded Senate and House labor committees, and although some Administration officials friendly to labor have been talking up the merits of a calm revision of the Wagner Act, the unions themselves stick to the conviction that today the only good change is no change.

The Administration, if it can help it, won't put its name on any measure which, by the time it got through a Congress of the type that seems likely next year, would be loaded with clauses bound to alienate union support.

#### ATOM CONTROL STRATEGY

While Rep. Andrew May is preoccupied at the moment with pressing personal affairs, his Military Affairs Committee is skirting the edge of victory in its battle to keep the atom in military hands. Unable to accomplish this by legislation last fall, the committee strategy has been delay. If the Senate bill establishing a civilian commission to monopolize all atomic work (BW-Mar. 23'46,p7) fails to pass, Army's Manhattan District will automatically retain control-perhaps for nearly a year.

This week, with only a few weeks before adjournment, the House committee's version of the Senate measure reached the floor-in a form which guarantees a conference committee battle. The bill would establish dual control of the atom, by granting to the military as well as to the Atomic Energy Commission authority to make and use fissionable material.

#### Odds Favor House Approval

It would also put one or two military men on the five-man commission, and put an Army officer at the head of the commission's military developments di-

Odds are that the House, as soon as it finishes the British loan, will approve the committee bill, throwing the issue into a Senate-House conference. Advocates of the military are counting on Chairman McMahon of the Senate's atom committee to stand so firm on his own bill that any legislation will be blocked. But other senators will probably push for a compromise accepting

military representation on the commission in order to slap down the duplicate Army authority over the atom.

#### ZONE OF CONTENTION

In the interpretation of a law the courts customarily give some weight to Congress' intentions. Whether a President's "understanding" of a law would have similar validity is a novel question which is raised by Truman's statement in signing the Hobbs antiracketeering act.

Under the act, robbery, extortion, violence, and threats of violence interfering with interstate commerce become federal offenses. Truman declared that the language of the bill was too broad. and that he approved it with the understanding that it would not deprive labor of the right to strike, picket, and take other legitimate and peaceful concerted action.

Regardless of its legal weight, Truman's interpretation plainly indicates the policy to which the present Administration will adhere in enforcing the

#### An Irreplaceable Man Is Lost to C.I.O.

The C.I.O.'s executive board, meeting in Washington next week and scheduled to concern itself with union strategy in a price-free economy, now has a subject of even higher priority for its agenda. It must proceed to name a new chief for the Political Action Committee in place of Sidney Hillman, whose death this week removes one of the most powerful of U.S. labor leaders. Truman Loses an Ally—It also robs President Truman of one of his staunchest political allies and it leaves Democratic boss Bob Hannegan bereft of one of his closest co-

Hillman was instrumental in swinging labor support behind Truman as Roosevelt's compromise candidate for the vice-presidency in 1944, at a time when the C.I.O. was inclined to go down the line for Henry Wallace. In recent months, he has fought to keep P.A.C. solidly behind Truman in the face of strong left-wing pressure for a more independent position nearer to third party

• Tough Decision-The passing of Hillman, who kept a very firm grip

on the P.A.C. and who preserved his own position of unquestioned leadership in C.I.O.'s political operations by adroit footwork between the organization's sharply divergent left and right wings, makes it necessary for Philip Murray to make a very tough decision.

As the P.A.C. is conceived, its top man and chief policy maker needs the prestige of high union office which Hillman had as president of the Amalgamated Clothing Workers. The only other individual in the C.I.O. who matches that prestige without being unacceptable to either the left or right wings is Murray himself.

• The Problem-Yet if Murray takes the post, his other responsibilities would prevent him from giving the P.A.C. job the concentration it needs, with the result that local groups, dominated by one or the other faction, would be working at cross purposes.

If Murray rules himself out, a

strong contender for the job to head up P.A.C. will be R. J. Thomas, the recently deposed president of the auto workers.



## Houses are built on gasoline

BUILDING is an assembly job. Before a house can be put together, it has to be brought together-lumber, bricks, cement, pipes, pre-fabricated sections and other materials delivered to its site by motor truck. Better, faster automotive transportation helps builders do a better jobjust as it helps the people in every other industry and business.

Over the years the nation has benefited from many improvements in gaseline transportation. Through improved refining methods and the use of antiknock fluid made by Ethyl, oil companies have produced increasingly better gasolines. And each advance in gasoline quality has made possible the design of more powerful, more efficient engines for automotive vehicles of every kind.

The quality of gasoline generally available at filling stations is a big determining factor in the design of automobile engines for any particular year. If gasoline progress should for any reason be retarded, progress in the entire field of automotive transportation would suffer. But as long as refiners are able to supply the nation with finer fuels, the automotive industry will make sure that America receives the benefits of better transportation at lower cost. Ethyl Corporation, Chrysler Building, New York 17, N. Y.

> More power from every gallon of gasoline through

Research · Service · Products

UP

tiga

Rep man mitt N Yor wou The vesti char icos not, race, M dent war

> 1.00 elect 1944 Dem him. toria Com bling such

him gress

HO Ag (1) ply o 1946 (3) ra War Se this

tions crops Cuba ment at 3.0 for th U.

now 47 ci offer (BW

BUN

distil

BUSIN

## WASHINGTON BULLETIN (Continued)

Hobbs act. Equally clear is the prospect of many hot legal arguments over the law's application.

#### UP MEAD, DOWN MAY

The politics of the war fraud investigation is to pull down one Democrat, Rep. Andrew J. May, in order to build up another, Sen. James M. Mead, chairman of the Senate investigating committee.

Mead wants to be governor of New York, and a lot of good Democrats would like to see him shut out Dewey. Their hope is that the sensational investigation will strengthen Mead's chances—of which the Democratic politicos now take a rather dim view. If not, Mead will probably stay out of the race, seek reelection to the Senate.

Most of May's colleagues are confident that his implication in the Garsson war contract operations has finished him politically. The Kentucky congressman squeezed through by less than 1,000 votes in 1942, the last off-year election, though he did a little better in 1944 on Roosevelt's coattails. House Democrats have no interest in helping him. They have never liked his dictatorial handling of the Military Affairs Committee, and he has been a stumbling block to the Administration on such issues as draft extension.

#### HOLDING THE SUGAR LINE

Agriculture Dept. officials hope to hold the line on sugar prices through (1) control of more than half the supply of raw sugar, (2) assurance from the Cuban government that shipments of 1946 crop sugar will be continued, and (3) rationing authority under the Second War Powers Act.

Secretary Anderson was in Havana this week trying to button up negotiations for both the 1946 and 1947 Cuban crops. Only assurance to date is that Cuba will stick by its interim agreement to sell 1946 sugar to this country at 3.675¢ per lb. against the 3.1¢ paid for the 1945 crop.

U. S. officials are kicking themselves now for not having bought the 1945-46-47 crops for 3.1¢ when they had that offer from the Cubans in March, 1945 (BW-Mar.17'45,p7).

#### **BUMPER FOOD CROPS**

Livestock feeders, corn processors, distillers, millers, bakers, and others were cheered this week by prospects of a record corn crop of 3,341,646,000 bu. on top of near-record crops of 1,471,026,000 bu. of oats, and 1,090,-092,000 bu. of wheat.

The current outlook for total crop production has seldom been surpassed, according to the crop reporting board. Except for 1942, the crops of July 1 showed the best condition in seven years. Milk and eggs were also running at near-record levels. Production of sugar may total 2,200,000 tons—25% more than last year. Supply figures like these, implying lower prices, ease Administration worries about inflation on the food front (page 16).

Bearish features of the report were a 45% reduction in flaxseed and a 14% cut in soybeans from last year. Although cotton acreage is a little larger than last year, the prospects for the crop are poor.

#### **NEW GRAIN CUTS STUDIED**

Sale of beverage alcohol grain quotas by one company to another may be ruled out by the Agriculture Dept. in August. These quota "rights" have been selling as high as \$3 per bu. of grain easy money for a company that gets a beverage distiller's license but has no intention of making spirits.

The department may also require that malt used in the production of potato alcohol be included in the industry's over-all monthly grain allocation of 2,500,000 bu. This would effect a corresponding reduction in grain authorized for the manufacture of neutral spirits and whisky.

To cut back distillers who have converted war-built alcohol plants to beverage production, the department is working on proposals to switch the grain quotas of individual companies to a prewar base. The upshot may be a combination base of prewar plus 1945.

#### SHIFT ON ANNUAL WAGE

The wheels are spinning in the mud under the government's guaranteed wage study.

The first idea was to study the feasibility of industry-wide application. Four industries were to be selected. This has met such strong resistance that the committee, headed by Murray W. Latimer, now is shifting to a program of individual company studies, regardless of the industries to which they belong.

Several hundred are being canvassed to determine their interest. The committee would like employers to make their own studies under committee guidance.

#### SILVER BLOC REVERSAL

Disappearance of OPA price ceilings on July 1 took U. S. silver consumers out of a box and blew the lid off a congressional deal by which the Treasury price of silver was scheduled to go to 90.3¢ an ounce now and to \$1.29 in two years (BW-Jun.22'46,p21).

When the Treasury's authority to buy and sell silver at 71.11¢ expired last December and silver producers began demanding that any extending legislation peg the price at \$1.29, the industrial consumers found themselves in a squeeze. They could no longer buy Treasury silver, and the 71.11¢ which was all OPA would let them offer didn't tempt foreign holders to let go of their supplies.

The consumers badly needed some extension of the Treasury authority. They controlled enough votes in Congress to write the measure, but the western silver senators were in a position to block legislation—and held out for a high price. A compromise was finally reached at 90.3¢ now and \$1.29 later. It was to have been inserted by the conference committee on the Treasury-Post Office appropriation, which carries the silver measure tacked on as a rider.

#### Consumers Now Free to Bid

The end of OPA, freeing the consumers to bid in foreign supplies, took the silver senators out of the driver's seat. The consumers no longer need a law. Although they have to pay a higher price at present—around a dollar—they don't have to accept a permanent floor of 90.3 \( \epsilon \) under silver.

With this reversal, the silver senators have already yielded on the \$1.29 feature. Expectation is that the rider will be dropped and that no legislation will pass this session—except possibly in a form permitting Treasury to buy and sell at the market, which would be the same thing as no law so far as the producer-consumer battle is concerned.

#### AGENCY JUGGLING O.K.'D

Senate refusal to knock down the President's first pass at government reorganization leaves the way open for further realignment of administrative agencies. The Senate action is conclusive, since under the law, both chambers must disapprove a presidential plan within 60 days in order to defeat it.

The initial plans were fair test cases, involving a normal amount of opposition-intragovernmental objections from

ng

90

to-

ne

ng

g

er

at

r.

er

# ... 23 years with practically no Radiator Trap repairs



HOTEL BELLERIVE, KANSAS CITY, MO.

In selecting equipment for the Hotel Bellerive in 1922, Architect Preston J. Bradshaw, of St. Louis, sought long life and low maintenance cost. He specified Webster Sylphon Traps for installation on 605 radiators.

For 23 years, heating comfort was unimpaired and this building required only 24 new radiator trap interiors—one per year.

During the 1944-45 heating season a complete check-up and overhaul of all traps was begun by the Hotel Bellerive. Replacement of worn interiors with Webster Sylphon Attachments with new bellows and stainless steel valve piece and insert seat gives the hotel a better trap than the original.

Of course, this service record of Webster Equipment would not have been achieved without conscientious operation of the heating system at proper low pressures and competent supervision by the rental company. Proper selection of heating equipment and proper use—these are both essentials of heating economy.

#### Planning a 194? Hotel Bellerive?

In 1922, the logical choice was a Webster Vacuum System with Webster Traps on radiators and drip points.

Today the choice would be a Webster Moderator System with:



Webster Outdoor Thermostat:

Webster System Radiation—concealed convectors with integral Webster Traps and Valves;

Webster Drip Traps;

Webster-Nesbitt Unit Heaters.

Let Webster experience serve you now. WARREN WEBSTER & CO., Camden, N. J. Representatives in principal U. S. Ciries: : Est. 1891 In Canada: Darling Brother, Limited, Montreal

> Webster Heating Systems

the social service agencies to their consolidation in the Federal Security Agency, and powerful real estate opposition to making the centralized National Housing Agency permanent.

#### THE COVER

Justin Whitlock Dart astonished nobody more than the Los Angeles Chamber of Commerce when he ripped the roots of United-Rexall Drug Co. out of the Boston soil which had nurtured them for 43 years and transplanted them in Los Angeles.

The move, entirely by air, was symbolic of the California gold rush of 1946, the westward trek of growing numbers of businesses and people. To Dart, young enough at 39 to be unencumbered by tradition, the move was dictated by practical considerations, among them that southern California is a cradle of progressive merchandising ideas

In the 17 years since the late Charles R. Walgreen installed him as a stock clerk in the Walgreen drug chain upon his graduation from Northwestern, Dart has had a few merchandising ideas of his own. It was his idea to clothe the chain drugstore with flesh and blood by giving new dignity and emphasis to the prescription counter and the man behind it. He hammered at eye-catching packaging and display; and he became the father of the superdrugstore, a rigidly departmented outlet for everything from diaper pins to wallpaper.

Dart became president of United-Rexall's Liggett chain a month before Pearl Harbor and in less than three years was president of United-Rexall. The streamlining program he then undertook is now culminating in a plan to put 10,000 independent Rexall druggists on an equal footing with the 600 retail outlets in United-Rexall's Liggett, Owl, Sontag, Renfro chains.

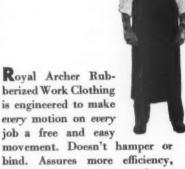
To the independent Rexallite, Dart offers the advantages enjoyed by his chains—mass buying, national and local advertising, store planning, site selection, identical styling. He sees the superdrugstore as the independent's answer to chain competition—as well as a bigger outlet for Rexall brand products—and through the medium of the Rexall label is forging a superchain of independent superdrugstores.

If United-Rexall directors were disposed to question their dynamic young president, they could take a second look at the consolidated sales record since he joined the organization: up 50% since 1941.

The Pictures—Acme—17, 78, 93; Press Assn. —20, 21, 64; Ross-Pix—41; Universal Press—75; Int. News—96.



## Fit For Faster Work



Archer waterproof fabrics are coated to be resistant to alkalies, acids, oils, abrasives, and most chemicals.

fewer man hours lost, a lower

accident rate.

Special apparel designed for special needs; also a wide range of coated fabrics for many industrial applications, including Archerite plastic films and coatings.

Ask your Industrial Wholesaler about Royal Archer Work Clothing, or write direct to Archer Rubber Co., Milford, Mass. — Makers of Quality Rubberized Goods Since 1907.



WORK CLOTHING

BUSINESS WEEK . July 13, 1946

## THE OUTLOOK

BUSINESS WEEK JULY 13, 1946



Uncle Sam's budget isn't as far out of balance as the \$12 billion estimate of Sen. Robert A. Taft, yet it is quite true that there have been upward revisions in expenditures that have largely escaped attention.

Top government men now are talking outgo of very nearly \$40 billion for the fiscal year which we entered two weeks ago. That's up about \$4 billion from the President's original 1946-47 figure.

Costs of winding up the war effort have been boosted \$2 billion. Veterans' benefits have been upped by close to a billion.

Maybe those expenses won't turn out as large as the new estimates. That remains to be seen. But it looks as though you can write outgo down by about a billion dollars for food subsidies that died with OPA.

Inflation now is entering into the federal budgetary picture.

Treasury Secretary John W. Snyder suggests that a tax boost may be called for (page 17). Higher tax rates are entirely proper to combat inflation. But there wouldn't be any need for them to help the Treasury meet added running expenses arising from inflation.

Tax receipts already are well ahead of expectations due to the high rate of business activity. Beyond that, inflation would swell Treasury income much more rapidly than its outgo.

Thus President Truman's original 1946-47 estimate of \$31½ billion for receipts probably is low by \$3 billion or \$4 billion even without inflation.

In fact, if we took the original expenditure estimate of \$35.8 billion and knocked off a little for subsidy payments that are unlikely to be revived, we wouldn't be very far from a balanced budget.

But if expenditures approach \$40 billion, that's another story.

Present arguments over budget unbalance leave out of consideration the \$3 billion for G. I. terminal payments, now before Congress.

This omission can, of course, be justified. The idea is to pay all claims over \$50 with five-year bonds. That dodges the issue—for now.

By the time the bulk of the \$3 billion becomes a budget item, the Democrats may have passed the debt on to a G.O.P. administration.

The first two weeks without OPA haven't caused many people much pain (page 15). Yet the fortnight has not been without inflationary signs.

Lead and zinc have been marked up. Producers say they have to get the additional price to make up for loss of subsidies on premium output.

Most manufacturers have resisted any immediate action. In several cases where prices have been increased, the explanation has been that OPA had promised to permit the advance but expired before granting it.

Yet the scattered increases—in lines varying from corn starch to certain types of cottons—will gradually become cost factors.

Rises in basic raw materials—metals and more prominently farm products—will be felt very much more quickly.

Very large increases in the supplies of many things after price controls were dropped aren't to be accepted as permanent.

Meat is perhaps an outstanding example. Slaughter runs of the last few days have topped practically all estimates.

But there are extraordinary factors involved. Livestock that had been

PAGE .

## THE OUTLOOK (Continued)

#### BUSINESS WEEK JULY 13, 1946

held back was rushed to market as prices rose. Less went to the black market, more to the big packers. And the government suspended its set-asides on beef and pork, meanwhile bidding only the old ceilings.

The combination served to back prices down from initial highs.

But slaughter runs will soon drop to normal. The government may have to resume set-asides to meet its relief commitments. And the poultry to eke out will be 15% to 20% less than it was a year ago.

Steel prices can't be expected to hold for long. Pressure for a boost in steel-making scrap is terrific. The same goes for coke. And there is the matter of cost increases already incurred, not to mention the fact that many individual products still are unprofitable.

Resumption of price control could not ignore needed adjustments.

The joyride in cotton may not face any short-run dangers, but the long-range prospects are cause for real alarm.

No one doubts that the government's acreage report this week spells a very short crop, perhaps only 9,500,000 bales. But we still have about 7,600,000 bales left over from previous crops.

If we consume a peacetime record of 10,000,000 bales in the crop year starting next Aug. 1, there still is no shortage except for our program of subsidized exports.

Meanwhile, foreign producers have a record surplus of 16,000,000 bales. What we probably will wake up and find is that we have helped them get out from under at a thumping profit.

Then we will have to fight them for foreign markets. The price carnage and the cries from the cotton South are something to contemplate.

Look beyond this week's government crop report in your estimates of grain supplies from the 1946 harvest.

The official forecast on wheat shows the beneficial effect of good weather (BW—Jun.29'46,p10). But present indications are that there will be still more improvement in spring wheat before the harvest.

And when the government's crop reporters sent in their estimates of July 1 condition, corn had just begun to throw off effects of wet weather.

Since then, we have had two more fine growing weeks for this allimportant feed crop. Before we are through, we might conceivably wind up with more grain than we need to feed our reduced livestock population.

Postwar labor market patterns finally can be pretty clearly laid out. Shifts, aside from seasonal changes, will be relatively small hereafter.

Employment showed a sharp rise—1,420,000—from May to June. Most of this is accounted for by agriculture, what with schools closing and other seasonal labor going into the fields as farmers approach peak needs.

More important is the fact that the big load of returning veterans is now well behind us.

Employment stands at nearly 56,750,000 and unemployment at only 2,560,000 (despite a rise in the jobless by 250,000 from May to June).

Surplus labor can't be expected to help us fight inflation. The best bet is not more hands but higher productivity (The Trend page 100).

Contents copyrighted under the general copyright on the July 13, 1946, issue-Business Week, 330 W. 42nd St., New York, N. Y.

PAGE 10

# Another field served with Horse Head Products



## "WEATHER-RESISTANT" PAINTS...

In her extreme moods of burning sun, drenching rains, or clinging ice and snow, Mother Nature makes life mighty tough for outside house paints. And when these agencies join forces with manmade hardships, such as industrial smoke and fume, the paint really has to "take it."

Valuable indications of the service properties of paints come from modern laboratory equipment. The above apparatus is one of the many testing devices introduced into the paint industry by The New Jersey Zinc Company. Paints tested under controlled conditions of light, temperature and moisture quickly indicate what may happen to paint under the rigors of outdoor exposure.

Your problems may be far removed from those of paint manufacturers who rely on us as a leading supplier of zinc pigments—the "backbone" of paint. But our wide research and manufacturing experience in serving the many fields indicated in the index at the right may place us in a position to help you. Our Technical Service Division will welcome the opportunity to discuss the possibilities with you.

PAINT

Chemical Activation and Heat Dispersion in RUBBER

Deep Drawing in BRASS

High Speed Production, Strength and Accuracy in DIE CASTINGS

Chemical Reducing Agents and Fire Retardance in TEXTILES

Rust Prevention in GALVANIZING

Non-Toxic, Protective, and Mildly Astringent Qualities in PHARMACEUTICALS

> Fluorescence and Phosphorescence in PLASTICS

Resistance to Chemical Change and Temperature Variation in CERAMICS

Forming Properties in METAL POWDERS

Formability and Corresion Resistance in STAMPINGS

> Opacity, Whiteness and Brightness in PAPER

Processing and Wearing Qualities in LINOLEUM

Application and Color Permanence in PRINTING INKS

Covering Power used Adhesion in COSMETICS

Deexidizing and Alloying of STEEL AND IRON

THE PURE

THE NEW JERSEY ZINC COMPANY



160 FRONT STREET, NEW YORK 7, N. Y.

# Are you using 4 different processes to do work like this?



Black-line print of form letter. Dignified, looks exactly like original typing. Headings and personal references will be added to print with same make of typewriter used to prepare the original. Saves valuable time and labor in sales and general correspondence.

2 4-color transparent overlay of statistical chart Prohibitively expensive with any other p. cess—as economical and simple as this with Ozalid: Individual trends are drawn in ink on separate sheets of tracing paper... and each is reproduced in seconds on Ozachrome film of desired color. Job is finished by simply stapling the films in register. You'll use Ozachrome for dramatic, readily understood presentations of

facts or products.

3 Oilproof, waterproof, plastic print ... produced directly from draftsman's drawing. An ideal material for shop use or sales catalogs. But it's only one of the 10 different types of positive, easier-to-read Ozaprints you can produce from any engineering drawing or other translucent original—in seconds!

Continuous-tone print with full values. This Ozalid Dryphoto was produced directly from a film positive. The quickest, most economical way to create displays, illustrate technical manuals, etc. Simply keep film positives (which can be made from any negative) in files ... and make Dryphotos as fast as orders are received!



- These are only a few of the ways in which you can consolidate your reproduction work with Ozalid. Actually, your entire organization will depend upon it for prints—in seconds—whenever needed!
- •Learn how you save time, labor, and dollars right from the start with Ozalid. And see samples of the 10 types of prints you can make.
- Write today for free booklet No. 138.



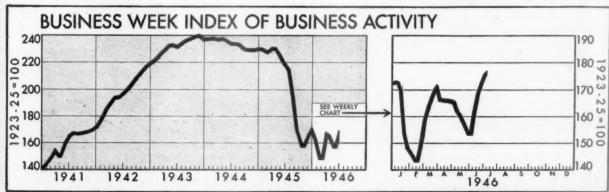
## OZALID

Division of GENERAL ANILINE AND FILM CORPORATION Johnson City, New York

> Ozalid in Canada Hughes-Owens Co., Ltd., Montreal

## FIGURES OF THE WEEK

	§ Latest Week	Preceding Week	Month Ago	Year Ago	1941 Average
THE INDEX (see chart below)	*177.1	†176.0	162.0	217.1	162.2
PRODUCTION					
Steel ingot operations (% of capacity)	87.8	87.2	76.1	89.0	97.3
Production of automobiles and trucks.	47,365	166,913	43,175	14,365	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	\$22,108	\$22,582	\$21,613	\$7,315	\$19,433
0 0		4,133			
Electric power output (million kilowatt-hours)	3,741		3,920	3,978	3,130
Crude oil (daily average, 1,000 bbls.)	4,905	4,957	4,896	4,886	3,842
Bituminous coal (daily average, 1,000 tons)	1,992	†1,987	740	1,960	1,685
TRADE					
Miscellaneous and L.C.L. carloadings (daily average, 1,000 cars)	86	83	77	84	86
All other carloadings (daily average, 1,000 cars)	61	60	35	65	52
Money in circulation (Wednesday series, millions)	\$28,395	\$28,135	\$28,159	\$26,834	\$9,613
Department store sales (change from same week of preceding year)	+38%	+35%	+32%	+16%	+17%
Business failures (Dun & Bradstreet, number)	13	14	13	9	228
Dustitess faitures (Dun & Diaustreet, humber)	13	14	15	9	220
PRICES (Average for the week)					
Spot commodity index (Moody's, Dec. 31, 1931=100)	311.9	1299.6	285.3	256.6	198.1
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939=100)	188.8	†180.3	178.2	166.5	138.5
Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939=100)	291.5	267.1	253.0	227.2	146.6
Finished steel composite (Steel, ton)	\$64.45	\$64.45	\$63.54	\$58.27	\$56.73
Scrap steel composite (Iron Age, ton)	\$19.17	\$19.17	\$19.17	\$19.17	\$19.48
Copper (electrolytic, Connecticut Valley, lb.)	14.375e	14.375e	14.375¢	12.000¢	12.022¢
Wheat (Kansas City, bu.)	\$2.05	\$1.87	\$1.87		
				\$1.60	\$0.99
Sugar (raw, delivered New York, lb.)	4.20¢	4.20¢	4.20¢	3.75¢	3.38¢
Cotton (middling, ten designated markets, lb.)	32.27¢	†31.07¢	28.74¢	22.61¢	13.94¢
Wool tops (New York, lb.)	\$1.424 22.50¢	\$1.382 22.50¢	\$1.330 22.50¢	\$1.330 22.50¢	\$1.281 22.16¢
-					
FINANCE					
90 stocks, price index (Standard & Poor's Corp.)	146.4	146.7	149.1	119.1	78.0
Medium grade corporate bond yield (30 Baa issues, Moody's)	3.03%	3.03%	3.03%	3.26%	4.33%
High grade corporate bond yield (30 Aaa issues, Moody's)	2.48%	†2.49%	2.50%	2.60%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average)	1.00%	1.00%	1.00%	1.00%	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate)	1%	1%	1%	1%	1-8%
BANKING (Millions of dollars)					
	20.07	00 887	20 451		
Demand deposits adjusted, reporting member banks	39,241	39,522	39,471	35,875	23,876
Total loans and investments, reporting member banks	61,049	61,748	63,331	64,291	28,191
Commercial and agricultural loans, reporting member banks	7,611	7,529	7,469	5,935	6,296
Securities loans, reporting member banks	3,919	4,132	4,100	5,482	940
U. S. gov't and gov't guaranteed obligations held, reporting member banks	42,748	43,437	45,222	47,116	14,085
Other securities held, reporting member banks	3,413	3,394	3,367	3,132	3,710
Excess reserves, all member banks (Wednesday series)	470	710	700	1,408	5,290
Total federal reserve credit outstanding (Wednesday series)	23,694	123,986	23,450	22,249	2,265
*Preliminary, week ended July 6tb.   † Revised.	& Date	for "Latest	Week" on	each series o	w sequest



## In some places it takes a whole new building

We've added a good many telephones in the last six months - something over 1,800,000.

But there's more than that still to be done. In addition to the instruments, we're putting in new switchboards, new cables, even new buildings in some places. For there never was such telephone growth before.

It's the biggest job the Bell System has ever had. But we'll get it done, and



BELL TELEPHONE SYSTEM



ful cha

SOI like

"st

ceil

will the

Ne

## Price Truce: How Long?

Despite flood of hold-the-line assurances, inflation pressures multiply while buying continues about as usual. Farm commodities rise; rents jump; blanket increases staved off.

Business has been putting on its best public relations front to assure everybody that the collapse of OPA did not mean the beginning of inflation.

No merchant or manufacturer wanted consumers to get panicky while Congress was still trying to get a new set of cylinders into OPA. Least of all did any seller want prices to jump suddenly while there was a possibility, no matter how remote, that a revived price-control agency might insist on a rollback.

• Soothing Reassurance—How consumers would react to the first real freedom of prices in four years was anybody's guess when OPA ran out. Department stores figured on a rush for merchandise and hastily requested police protection. But buying turned out to be about as usual. Apparently the soothing publicity campaigns or the consumer's inability to puzzle the situation out resulted in a status quo.

Meanwhile, the tide of voluntary hold-the-line assurances continued at full flow.

The nation's biggest department store chain—Allied Stores—publicly promised no price advances on merchandise in stock, and "normal prewar margins" on new goods. What's more, Allied got some 200 suppliers, including big ones like General Electric and Bigelow-Sanford, to pledge that prices would not be hiked on finished goods on hand; that new goods would bear only the "average margin achieved in normal prewar years"; that increases in material costs

"standard quality merchandise."

Pledges Are Plentiful—Alexander Smith and C. H. Masland proclaimed in print that "we have today informed all our dealers that during the months of July, August, and September, 1946, we will continue to deliver them rugs and carpets, as fast as we can make them, at the present established OPA

would be strongly resisted; and that every effort would be made to produce

ceiling prices."

Opotowsky Bros. (New Orleans lingerie manufacturer) virtually got into a class by itself by announcing that, "We will absorb any increase in prices of raw materials to us from our mills, even if the increase be as great as 15%."

Major department stores (such as New York's Macy's and San Francisco's Emporium) and the mail-order houses said they would operate as though OPA were still on the scene. A group of swank New York specialty shops advertised that they were continuing to post ceiling prices. And Willoughbys, the giant Manhattan photo supply house, promised that, even though OPA ceilings had been removed on photographic equipment, manufacturers' price increases, if any, would be passed along as is, without markup.

• Scattering of Markdowns—Here and there clearance sales and markdowns continued as though nothing had happened. Gimbel's opportunistically staged a sale at below-ceiling prices. Vim, eastern sports and appliance chain, promptly knocked down the price of some radios and record players 10%.

The Natl. Assn. of Manufacturers,

The Natl. Assn. of Manufacturers, American Retail Federation, and Natl. Retail Dry Goods Assn. warned against rocking the boat. Real estate and property owners' associations in Dallas and Chicago urged that residential rent increases be limited to 10%. Swift & Co. asserted that its meat prices were un-

changed from July 1 levels, except for additions to make up for subsidies. All the big food chains swore that they would not hoard, play favorites among customers, or use abnormal markups.

• Pressures Pile Up—But how long would the price truce last? For the absence of subsidies alone was bringing pressure to bear on old ceilings.

Farm commodities were among the early risers (page 16). Rents soon were

jumpy, too.

At Philadelphia, 800 complaints against landlords were filed hopefully at OPA's local address in the first two ceiling-less days alone. Tenants in Miami complained about 300% hikes. In Atlanta and Denver the press reported charges of rent profiteering. Rhode Island and the cities of Los Angeles and Cincinnati passed emergency legislation. Governors' proclamations froze rents in Massachusetts and New Jersey. New York and the District of Columbia invoked existing laws.

• Food Prices Rise—On the food front, meat, butter, and dairy products moved to higher price levels. OPA took a spot check in the New York district and claimed that:

Beef was selling for \$1 a lb. as against a former ceiling of 55¢; butter was 80¢ a lb. as against the 67¢ ceiling; chicken was up from 45¢ to 69¢ a lb.; bacon was 80¢ a lb. as against 31¢; chopped meat rose from 32¢ to 60¢ a lb.

Grocers quickly pooh-poohed these





Called to the White House to advise on battle plans against inflation were Paul Hoffman (left) and George Harrison (right). Hoffman, head of the Committee for Economic Development and president of Studebaker, represents the viewpoint of industry; Harrison, head of New York Life Insurance Co. and former president of New York's Federal Reserve Bank, represents finance.

## Only Farm Products Ride Crest of Confused Markets

Record farm income in 1946 seems to be assured by the events of the first few days after lifting of price controls, and that's about all. For, in the "free" market for commodities during the first week of July, prices of selected farm products shot up almost 13% while industrial raw materials rose only 3%.

But the actual story so far has not been one of free markets, but rather of confused markets. Commodity trading, both in spots and in futures, has been no game for an amateur since OPA controls expired on June 30.

• Nervous Markets—It is quite true that some of the fast movers shot up in the first few days of July (charts below). But it is equally true that several have turned down in highly nervous markets since the first inflationary boom petered out. And a lot of markets—notably the nonferrous metals so important to durable goods manufacturers—have not been quoted at all.

Confusion has been due largely to lack of knowledge whether Congress would pass a new OPA bill and, if so, what it would contain. Another major concern was over resumption of (1) subsidies on foods such as meat and butter to keep down the cost of living, (2) subsidies on metal imports to augment domestic output regardless of prices paid in world markets, and (3) premium payments for domestic production of metals.

• Lead and Zinc-Producers of both

• Lead and Zinc-Producers of both lead and zinc have raised prices from 8½¢ a lb. to 9½¢, contending that the boost is required to make up premium payments lost in the vetoed OPA bill. But, even so, about 80% of the zinc-lead production of the Joplin (Mo.) area has closed, costing 4,000 tons of concentrates a week.

Copper trade was paralyzed until Tuesday when Metals Reserve Co. set a price of  $14\frac{2}{3}\phi$  a lb., the old ceiling, on imported metal. Thus the government will have to sell well under the foreign price of about  $15\phi$  a lb., to say nothing of the fact that the Treasury will continue to lose the  $4\phi$  import tax normally exacted on foreign copper.

Local producers feel that copper should go up to 15¢, maybe higher,

but at midweek all still were reluctant to make the move.

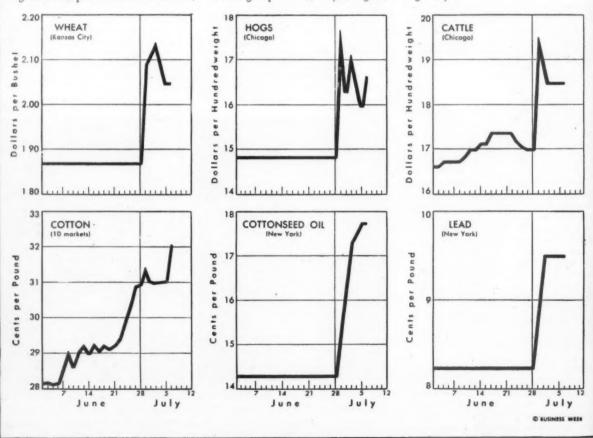
• Meat Advance Checked—On the food front, prices of meat animals went up sharply only to be checked by unexpectedly large shipments to slaughter. Partly it was a rush to sell critters held back for higher prices, partly a diversion from black markets to normal slaughter channels. The net result to consumers was a taste of steak 15¢ to 25¢ a lb. under previous black market quotations.

Grain prices, too, rather outdid a good thing. After the runup, weakness first developed in oats on the outlook for a second straight bumper crop. Then corn weakened.

 Delayed Field Day—Cotton, which had been pushing up and up before the expiration of OPA, had a delayed field day.

The first government report on acreage of the season, issued on Monday, showed 18,316,000 acres under cultivation on July 1, about a million acres less than traders had expected.

This caused one of those rare gains— \$5 a bale, all that is allowed\_in a single day.



fi;

ne

ch

fe

he

pe bu

gr

th

th

tal to

an

wh

pri

by

cot

mo

ma

big

S
 plic
 pyr.

ers sho

in ord

BUS



With the lid off prices, the livestock log-jam broke. A flood of critters swamped the country's stockyards, notably in Chicago (above), where mile-long lines of trucks carrying meat on the hoof rushed to deliver the goods at record prices.

figures, however, on the grounds that lack of subsidies made some price rises necessary, and current prices are below erstwhile black market quotations.

• Few Blanket Boosts—Government checks on the prices of major manufacturers showed virtually no changes. A few raised prices on some lines, or were holding up shipment on pre-July orders pending action on the new OPA bill, but blanket boosts on the part of this group were a rarity.

All in all, the situation for the first ten days of July could be summed up thus: Prices of goods that move through the economic pipeline quickly (foods), or commodities sold on spot markets were up. So were rents where not held under local ceilings. Elsewhere, it may take weeks for any definite movement to be evident at the consumer level (whose importance is paramount since wages hinge on it).

Department stores, for instance, have an average two months' stock on hand which generally will move at old ceiling prices. To be sure, the supply varies by lines. Stocks of dresses, men's clothing, major household appliances, and cotton wash goods will hold out only a month or less. Infants' wear, furs, boys' clothing, housewares, jewelry, and shoes may last better than two months.

Nor does anyone know for sure how big the price increases will be when current inventories are exhausted.

Supplier Holds the Whip—One complication at all levels of trade is the pyramiding of orders. Admittedly, buyers and purchasing agents are forced to shop like the ordinary nonprofessional in quest of an automobile—they place orders in half a dozen spots, hoping

one will pan out. In the absence of ceilings, this practice could inflate prices unduly, and later send them into an equally precipitous bust.

What's more, escalator clauses—permitting price increases to be billed against the buyer after he has made his commitment—are figuring in more and more contracts. Big buyers try to hold their suppliers to the price prevailing at the time the order was put in, but total resistance is out of the question. The supplier holds the whip.

And at the far end of the supply line—in retailing—a delayed wage fuze is still burning. Only now is the 40-hour workweek in big stores being put into general effect. This means a 12½% jump in labor costs at the outside, and 8% to 10% even if the proprietor is adept at cutting corners. But in any event, the shorter work-week spells either a reduction in profits or an increase in prices—very likely the latter.

• The Complications—Only by a superhuman calculus can anyone foretell with even passable exactitude what's in store on the price front if OPA fails to make a comeback. Questions, such as the following, complicate the problem beyond satisfactory solution:

(1) How much will buyers resist price increases? (Usual guess: at the consumer end, very little on the first go-round).

(2) How far can retail prices rise before organized labor asks for compensatory wage boosts (page 72)?

(3) What fiscal and other policies can the government invoke as partial substitute for OPA, should OPA die permanently (page 17)?

(4) At what point will marginal buyers be priced out of the market? (When

marginal buyers drop out, demand and supply move toward a balance.)

(5) Conversely, at what point will production be sufficient to force out the marginal supplier whose higher prices set the pace when there are no controls?

(6) Will suppliers tend to hold down the prices of items which are scarce, but whose production could not be increased even at sky-high prices?

• How Long?—To date, willingness to go easy is the unanimous pledge of business and industry. But free prices in the long run depend to a considerable extent on marginal buyers and suppliers. And, for the moment at least, marginal suppliers are still in the driver's seat.

## Controls Eyed

Administration surveys its powers to halt runaway price boom—if one starts. Outlook is gloomy but not hopeless.

If Congress refuses to exhume direct price regulation and lets OPA die a permanent death, there will not be much in the way of indirect inflation control that the Administration can set up in its

Since President Truman vetoed the OPA bill, government officials have been taking a hasty inventory of federal powers that might possibly be used to check rising prices, or at least to cushion their effect on the economy. The general conclusion is that while the government isn't completely helpless, it hasn't much hope of stopping a runaway price boom—if one starts.

 The Possibilities—Here is how present thinking runs on the main subheadings under the general topic of inflation control.

Taxes—Secretary of the Treasury John W. Snyder's dark mutterings about higher taxes strongly suggest that he received a White House memo reading, in effect, "Say something helpful. Quick." Snyder implied that if the costs of government rose as a result of price inflation, taxes would have to be raised to balance the budget. The federal tax system, in fact, is geared so closely to income taxes and ad valorem excises that government revenues probably would rise faster than expenditures during any inflation short of a complete monetary breakdown.

Restoration of the excess-profits tax on corporations—one of the thoughts that Snyder threw out—might easily be more inflationary than otherwise. A stiff excess-profits tax would weaken employer resistance to wage increases and would encourage free-handed spending by corporations. In a rayenous market

with no price controls, the excess-profits tax takes away practically all incentive to hold down costs.

Adoption of a spending tax theoretically would be a good anti-inflation measure, but Congress refused to take so drastic a measure during the war and probably would be even cooler to it in peace. In any case, a heavy spendings tax could not be piled haphazardly on top of the present income tax system. To make a place for it, the whole tax machine would have to be overhauled from top to bottom.

Tougher capital gains taxes might take some of the speculative fun out of a price boom, but here again, Congress

would be hard to convince.

Balancing the Budget—Theoretically, a budgetary surplus and steady retirement of the national debt would solve the whole inflation problem—in the long run. The trouble is that if a boom-and-bust inflation is in the making, it will come to a head within the next year or 18 months—long before even the best budgetary practices could make much of a dent in the public debt. About the biggest contribution that can be expected from budget management at this stage of the game is the negative one of not making the situation any worse.

Monetary Controls—Signs of price inflation will make Congress more sympathetic to the Federal Reserve Board's request for additional powers over bank portfolios and reserves (BW—Jun.22'46, p17). But more controls over banks won't sterilize the accumulated buying power in the hands of the public, which is now the source of the inflation pressure. As far as monetary regulation is concerned, the damage is done.

The board also is ready to tighten its controls on consumer credit (Regulation W) if necessary. This could cramp the style of consumers buying on the instalment plan but would not check buying out of current income and accumulated savings.

• Controls Available—Outside the field of fiscal policy and monetary control, the prospect is a shade brighter. Washington officials hope to get limited results by reviving at least two wartime mechanisms that have been quietly decaying since V-J Day—inventory control and export control. These are ready to start as soon as it becomes evident that price controls are dead or dying.

Farther in the future and less certain is re-expansion of priority and allocation systems to correct dislocations which might result from uncontrolled bidding on scarce goods.

Inventory Controls—These aim directly at one of the classic effects of a runaway inflation—the hoarding of materials and finished goods. The Civilian Production Administration is leaning heavily on a tough inventory policy to reduce the evaporation of production



Hung on the door of an Atlanta OPA office, a \$100 wreath expresses the sentiments—though no regrets—of a group of used-car dealers. The ribbon reads: "Dead but still smells."

into hoards—which, in the Administration view, might well outweigh production gains resulting from the release of OPA restrictions.

Present inventory controls, in theory, apply to everyone except ultimate consumers. They forbid any business to order or accept delivery of more than a "reasonable minimum working inventory" of anything. In practice, CPA has never worried much about enforcement except as to hard goods manufacturers, and among them as to certain specified scarce materials, such as steel and other metals, some chemicals, textiles, lumber, and the like. On such materials, vague standard of the general order has been amplified in detail—usually by prescribing a 30, 45, 60, or 90 day inventory.

day inventory.

Within this restricted area there's been fairly close policing. Manufacturers representing about 85% of the field have had their records individually checked several times a year by a field staff of several hundred accountants.

Just what form an expanded regulation would take is still under discussion. But the intention is a rewrite that would make clear the application of inventory control to all levels of industry and business and to all major materials. An inventory standard based on the ratio of inventory to operations in some base period may be included.

No one has any idea that enforcement of a regulation of this type could approach the effectiveness of the hard goods controls. Distributors, retailers, and soft goods makers are too numerous, and their records often are too scanty to permit it. And the pure in-and-out speculator (whose legal inventory is

zero) is practically impossible to reach except in the most flagrant cases. But many CPA officials believe that, concentrating on the big fellows, they can help keep goods turning over at a normal rate, lessen price pressure from inventory accumulation, and maybe help avoid an eventual inventory panic.

Ti

de

of

cha

war

bee

than

Mo

has

· I

rece

dov

nat

fed

cide

cou

rub

crea

fou

in p

Syn

am

o I

mo

cor

bet

sch

6.0

in

per

S

Export Controls—The object of tighter export controls would be to keep foreign buyers from draining off significant quantities of scarce goods and bidding prices up in this country. Under price control U. S. producers have had no incentive to discriminate against domestic customers even though many foreign purchasers would have been willing to pay fancy prices for goods. With the bars down, CPA and the Commerce Dept. fear the effect of fantastic foreign offers in some lines.

During the war, a license was required for export of almost anything, but the list has shrunk to cover only lumber and other building materials, textiles, steel, and tires. Now in the works is an order which will, unless price controls are restored, reestablish the wartime setup with close licensing of substantially all exports.

Allocation—Congress, when it extended the Second War Powers Act, which is the foundation of CPA's priority systems, inserted a clause forbidding use of the war powers to control prices. Even so, a thoroughgoing wartime allocation system, if it were still in existence, could put a brake on prices by arbitrarily restricting demand to match supply. But CPA's present vestigial allocation system is almost without effect on the price structure.

Complete allocation still applies only on lead and tin. A partial system is in effect for textiles, most building materials, and steel (soon to be extended to cover pig iron). If high bidding by nonessential users begins to starve important industries, CPA will undertake some expansion of the allocation system, but there's no thought or possibility of allocation as a price controller.

Housing—Coordinator Wilson Wyatt has his own independent legislation, which includes authority to prescribe price limits on veterans' housing. Wyatt recognizes the limits probably would become administratively unworkable in the face of a sharp rise in building material prices, but keeping them on, at some level, might possibly place some sort of brake on prices.

On another front, meanwhile, the government is trying to decide on the management of various inventories that it owns itself—the Commodity Credit Corp.'s stocks of food and fiber, surplus war goods, RFC's stocks of metals and rubber. Most of these are at the lowest point in years—too low to raise any ideas of price control by market manipulation.

## Tires Turn Back

ach

But

cen-

can

nor-

in-

nelp

of

сер

nifi-

bid-

nder

had

do-

any

cen

ods.

the

of

re-

ing,

only

ials,

the

less

lish

sing

ex-

Act,

pri-

pid-

trol

var-

still

ices

to

ves-

ith-

nly

in

ate-

to

on-

oor-

ake svs-

551-

ler.

att

on,

ibe

att

uld

in

na-

at

me

the

he

hat

lus

nd

est

ny ip-

S.

Cars will soon be rolling on more natural rubber. CPA decides it can let go in view of rise in imports.

Natural rubber is going to get a chance to come to the rescue of its war-created substitute.

Since early this year, tire makers have been chewing up synthetic faster than government plants could make it. Month after month their production has rocketed to new all-time highs.

• Dehoarding—To keep them in their reconversion-parade lead, the Civilian Production Administration has been spending much of its time running down raw materials and trying to eliminate bottlenecks. Finally, with other federal agencies concurring, it has decided to let down the bars on the country's modest natural rubber hoard.

The decision means that the treerubber content of all tires will be increased. It will mark the first time in four years that natural rubber in any appreciable amount has been permitted in passenger-car casings. There the new formula is 13% natural and 87%synthetic. At present the tree rubber amounts to only  $2\frac{1}{2}\%$ .

• How Much More—In a 6.00 x 16, the most popular size on the highway, that comes to four ounces, used as cement between the synthetic plies. The revised schedule will allow 1.3 lb. in the 6.00 x 16 and proportionate increases in larger easings.

In truck tire manufacturing, the new percentage will be much greater. In

casings from size 8.25 and up, natural rubber will be boosted from 67% to over 90%, and in lighter commercials under 8.25, from 30% to 67%.

• Changeover Problem—While all tire makers welcomed the news, since they have been close to a hand-to-mouth basis for months, some are disturbed over what will happen to the stocks of all-synthetic tires during the changeover. They are afraid that buyers may hold back for casings with more tree rubber and that this may precipitate widespread dealer cuts to get rid of current stocks.

CPA was enabled to increase the natural rubber allocation because the year's imports are now estimated at a minimum of 357,000 tons, whereas only 250,000 tons were expected. The State Dept.'s recent agreement with British, French, and Dutch rubber growers, which raised the price of crude 3¼¢ a pound for the last half of 1946 (BW-Jun.29'46,p20), assures the United States at least 145,000 tons in the next six months.

• Food Comes First—Production of GR-S, the general-purpose synthetic rubber that goes into tires, is limited by the acute world food shortage. Federal rubber officials realize that they couldn't justify demands for grain to make alcohol for rubber in the face of the tremendous needs abroad.

Meanwhile CPA has estimated the June passenger-tire production at 5,800,000 units, 200,000 more than the record May figures and 38% above the monthly average of 4,200,000 tires in 1941, the best prewar year.

1941, the best prewar year.

• New Goal—If the industry can continue at such a pace, it shouldn't have much difficulty reaching its new 1946 goal of 69,150,000 tires.



Lockheed's Saturn



Hughes' Feederliner



Beech's 18-C



Boeing's 417

## Feeder Liners

Growth of small airlines offers plane manufacturers a market for designs able to compete with surplus craft.

Long before the war the pattern of U.S. trunk-line air service was firmly crystallized, but feeder operations to serve intermediate and offline stops were undeveloped. Scheduled airline operators were frankly skeptical about the traffic volume available in the smaller cities.

Government agencies concerned with air transport were reluctant to embark on a program of subsidizing feeder services by air-mail contracts in spite of the fact that existing trunk-line contracts have been paying a profit to the Treasury for several years. And there were few airplanes available whose operating economics could be expected to make such service profitable without either a larger traffic volume or an airmail subsidy.

• Pressure—During the war years, aspiring feeder-line operators who saw possibilities in the business swamped the Civil Aeronautics Board with route applications. A series of preliminary hearings developed the board's tentative policies (BW—Jun.3'44,p42). Applicants included scheduled airlines; railroad, truck, and bus firms; fixed-base and school operators.

After a long and disheartening silence, three-year route certificates were forthcoming from CAB in the Florida, Rocky Mountain, and Pacific Coast cases (BW-Apr.27'46,p32).

• Design Problem—Meanwhile, aircraft manufacturers, conscious of the impending demand for equipment, began designing several planes suited for this type of service. Their efforts were tempered by the knowledge that new planes would have to compete with the large volume of surplus planes, such as the Douglas DC-3, thrown on the market at the end of the war. Their problem was to bring out a design whose operating efficiency offsets the necessarily high cost of the new plane compared with that of surplus equipment. Technological advances of the war years were harnessed to attain this objective.

Just how many passenger seats a feeder airliner should have is a question facing all manufacturers, but it is generally agreed that the seating arrangement should be flexible enough so that seats can be removed quickly for cargo. Planes for feeder service vary from 6-passenger types to the 21-seat DC-3 or even larger ships.

DC-3 or even larger ships.

One Solution—Lockheed has hit a happy medium of 14 quickly removable

seats in its recently test-flown Saturn, designed after a study of feeder-line requirements and operating economies. With two 600-hp. Continental or 800hp. Wright engines, the Saturn has a cruising speed above 200 m.p.h. and weighs 16,000 lb. gross.

Exceptional efficiency is obtained by the use of laminar-flow wings and lightweight aluminum alloy structure and by harnessing the jet effect of the engine exhaust. Lockheed's operating cost studies indicate that the Saturn can pay a profit to the operator in spite of its cost (\$130,000). In addition to the U. S. sales, a large export market is expected.

• For Easy Loading-The new Boeing 417, a feeder-line plane in the 20-24passenger class has a full-size, truck-bedheight cargo door at the rear to facilitate freight handling. Two 800-hp. Wright engines constitute the power plant. Like the Saturn, the Boeing 417 is a high-wing monoplane providing passengers with relatively unobstructed view of the ground in low-level flying.

Smaller than either of these is the 6-10-passenger Beech 18-C, which has been in production and service for some time. Its gross weight is 9,000 lb. and its powerplant two 500-hp. Continental engines. A larger feeder liner has been in the design stage at Beech, and test flights may be expected soon. It is said to seat 20 passengers and to be powered by four Continental "flat" engines mounted in the wings in pairs.

• In the Works-Early in 1945 a new feeder liner was announced by Hughes Aircraft. This design provided for 18 passengers, weighed 18,500 lb. gross, and used two 825-hp. Pratt & Whitney Wasp engines. No recent news has been forthcoming about its progress toward production.

ca

er

SC

P

u

ir th

Two small twin-engined planes might be considered as members of the feeder line class. A prototype of Southern Aircraft's 6-place executive transport is now flying. A 7-place plane built by Aero Design & Engineering is expected to be test-flown in the fall. The Grumman Mallard, a new flying boat for executive transport, has possible feederline applications.

• Big and Little-If the definition of feeder liner is stretched to 26-30 passengers, it is proper to include the Martin 228 and 202. The proposed 228 will

## How Able Was "Able"?-Answers From Bikini

The results of history's fourth atom bomb explosion-"Test Able" at Bikini Atoll in the Pacific on July 1-have been covered by a cloud of words, mostly highly radioactive adjectives.

The significant words that finally sum up the military and scientific findings of the great naval experiment won't be printed until all the evidence is in, probably months hence, and some of them won't get

past the censor then.

• Technical Observers-Meanwhile, four staff members of the McGraw-Hill Publishing Co., which publishes Business Week, are at Bikini. Two of them are chief editors, Sidney D. Kirkpatrick of Chemical & Metallurgical Engineering and Philip W. Swain of Power. From the radio and cable reports of these technical observers the following statements have been taken as most informative for Business Week readers at this stage of the test studies:

(1) Despite doubts, the A-bomb in Test Able was of the type and power used at Nagasaki (equivalent to 20,000 tons of TNT). Exploded in the air 400-600 feet above and 1,200 astern of the target ship Nevada (that's a guess, no official figures being released), it acted with "nor-mal efficiency" and about as informed opinion had predicted.

(2) The box score on the number of ships sunk (five), severely damaged (six), and slightly damaged (about half of the other 62 ships deployed) doesn't tell the story, for results would be changed by changes in the fleet's anchorage area. The true aim of the test was to secure a set of data relating pressure, temperature,



and damage to every ship and every part and piece of equipment with the distance from the blast center. Operation Crossroads, costing less than one battleship, will provide such data essential to the design of all naval vessels and to the tactics of

using them.

(3) Considering material damage to the ships as distinct from the effect of radioactivity on life aboard them, here's what might be expected from the A-bomb's air blast in terms of distance of ship from explosion: one mile, practically no damage; three-quarters of a mile, slight damage; half a mile, moderate damage; quarter-mile, heavy damage; somewhere between three-sixteenths and

one-eighth mile, sinking. (Little hull damage beyond a quarter-mile-but that's no prediction of what the under-water bomb of the second

test may do.)
(4) Wherever distance would save the ship and crew from the blast, special clothing and masks should protect the crew from the heat flash. The much advertised "hundred million degree heat" was confined to the bomb's center and lasted a millionth of a second. This dazzling photoflash didn't melt even the thinnest aluminum foil or appreciably warm the ships; it merely gave them a skin-deep sunburn, blistering top paint coats, leaving lower coats untouched. It started a few fires but in highly inflammable material.

(5) Men on ships exposed to atom bombs will, however, receive tremendous doses of radioactive rays, including the penetrating gamma rays which retain 10% of their strength after penetrating two inches of steel. And survivors will be living in "poisoned" ships; the food, even the table salt and soap, will be dangerously radioactive. (But what radioactivity means in terms of distance from bomb-burst is still to be deciphered from studies of the animals left on the Bikini fleet, where only 10% died immediately but some may die weeks hence.)

(6) Finally, the record still indicates that the bomb, which failed to rip the leaves from the Bikini palms or affect the radio-controlled planes that traversed its blast-cloud, can do immensely more naval damage than any other weapon in history, is even more effective against cities, can destroy civilization if atomic war comes. carry 26 passengers, weigh 28,500 lb. gross, and be powered by two Wright engines of 1,425 hp. each. The 30-passenger 202, now on order by many scheduled airlines, weighs 34,300 lb. gross and is designed for two 2,100-hp. Pratt & Whitney engines.

r 18

TOSS,

tney

gress

anes

uth-

port t by

cted

um-

for eder-

of pas-

Marwill Feeder lines may also make use of the 10-place helicopters which are expected to be available by late 1947 or early 1948. Several rotary-wing manufacturers were at work on these types, including the Kellett Aircraft Co. and the Piasecki Helicopter Corp. Even larger helicopters are also in the offing.

## Tucker Moves In

Officials take possession of Dodge-Chicago plant, projecting big tool purchase. Financing of car still to be disclosed.

The Tucker Torpedo, radically designed passenger car, is a major step nearer production. Its developer, Preston Tucker, has achieved his aim of leasing the huge Dodge-Chicago aircraft engine plant after Detroit had practically written him and his cause off as lost (BW-May4'46,p31).

What Tucker used to convince the War Assets Administration of the validity of his intentions was not known, because it was admitted by company higher-ups that financing—not yet completed—had hinged considerably on obtaining the plant. The indication was that Tucker, in his WAA conversations, had dwelt more on the possibility of ultimately employing 35,000 persons (BW-Jan.8'46,p19) than on the extent of his present capital.

• Terms of the Lease—At any rate, the company has 90 days in which to make its first payment. The lease calls for rental of \$600,000 the first year, \$800,000 the next, and \$2,400,000 in each of the succeeding three years. An option to buy for \$30,000,000 is included.

Chicago advices were that private financing sufficient to put the Torpedo into production had been promised, but this was not confirmed. Supposedly this privately guaranteed money, upwards of \$10,000,000, would be in the nature of preliminary financing, with public financing later.

• Tools, Too—Company officials took possession of their new plant this week and said they intended to buy some; \$20,000,000 of its government tools. Purchase prices are said to represent maximums biddable under the Clayton formula for pricing such equipment.

Additional tools, dies, jigs, and fixtures required, they said, would represent about \$400,000 more. Besides this, plans call for installing a new over-



#### THE RAINS-AND THE GRAIN-CAME

From Kansas the good word is wheat—more per acre, almost uniformly throughout the state, than growers looked for when they began to harvest. A farmer (above) near Hays shovels his grain on the ground for want of better storage or box cars to ship it. According to some estimates, when the total tally is in, Kansas will have duplicated last year's record crop—more than 200,000,000 bu. While piling wheat on the ground has been no unusual occurrence in recent years of record crops, farmers now are more than a little concerned about spoilage with prices up 20¢ to 25¢ a bu. over the old ceilings.

head conveyor system in the main building, plus other modifications.

The magnesium foundry will be used for pouring gray iron. The aluminum foundry will be retained as is, to produce the numerous light metal parts specified for the new car.

• New Associates—A new group of associates has joined Tucker in recent months. Many of the original officers left the venture during its formative trials and tribulations. His new, and fairly experienced, team does not include any of the auto industry's most widely known names.

Chief administrative aides are Fred Rockelman, vice-president, a one-time president of Chrysler's Plymouth division; Ames E. Brown, vice-president, formerly a vice-president of General Motors of Canada; and Robert Pierce, secretary-treasurer, who once was secretary-treasurer of Briggs Mfg, Co.

Robert Jack, who was chief engineer of G.M.'s Oldsmobile division several years ago, is chief engineer. He will handle the mechanical side of the operation along with Tucker.

• Powerplant in Rear—The Tucker Torpedo, to be built at first in a medium-priced four-door sedan model, will have its 6-cylinder, 150-hp. powerplant in the rear of the car. Wheels will be suspended individually. Its body of sheet aluminum may reduce its weight to 2,200 lb. or so, putting it quite definitely in the light car classification.

## To a Record Pack

Upturn in canned fruit and vegetable output will help out the civilian, but may still fall short of over-all demand.

Civilians, no longer forced to wait while the military takes first pick, stand to benefit most from the expected record production of canned fruit and vegetable products in the 1946-47 crop year.

The Dept. of Commerce estimates that total production will hit 424,400,-000 cases (table, page 22). Shipments to government and export sources will take only 19,100,000 cases—53% below the 40,900,000 cases in the 1945-46 year and an 35% reduction from the 125,-000,000 cases allocated to them in the 1944-45 crop year.

1944-45 crop year.

Shipments to consumers in the U. S. are expected to reach the new high of 407,400,000 cases, an increase of 8% over this year's 377,200,000 cases and an increase of 51% over the wartime low of 270,400,000 cases in 1943-44 when a poor crop year combined with large military requirements in a two-way squeeze on civilians.

• More Vegetables—Yet it is questionable whether even the record totals of the next crop year will be sufficient to

#### **Euphemism**

Officials of Western Air Lines, which is starting regular flights to Wyoming's Grand Teton mountain region (the Jackson Hole country), report that their stewardesses have been embarrassed by passengers who want to know what "Grand Tetons" means in English. The officials say they have instructed the girls to tell inquirers that the name can be translated "Sweater Girl Mountains."

meet demand. The export of grain, together with the continued shortages of meat and dairy products, will force Americans to eat more fruits and vegetables.

And, with income payments continuing at or above present levels, purchasing power will be sufficient to prevent surpluses from accumulating. On the credit side of the industry's ledger is the fact that it is no longer faced with the problem of stocking wholesalers and retailers—so time-consuming in the months immediately after the termination of rationing.

• Canned Fruit—Estimates of total canned fruit production are for a yield of 58,000,000 cases, an increase of 14% over this year but short of the record 61,000,000 cases during the 1941-42 year. However, with a break in the weather and with no undue labor trouble, estimates for canned peach and apricot production may turn out to be too low and the actual crop may be large enough to send the total for the canned fruit group to a new record.

In any event, civilian shipments of canned fruit, which will be at record levels, will not be sufficient to satisfy the demand.

• New High for Juices—Production of canned and bottled fruit and vegetable juices should increase to 101,400,000 cases, a new high and 128% greater than the average for the five prewar

years. However, such a pack will come nowhere near glutting the market, for it is expected that carryover stocks of all noncitrus juices will be far below normal at the end of the current season.

The noncitrus juice pack, with the possible exception of prune juice, will be greater next year than it has been during the current season. Estimates of citrus juice pack are necessarily vague, since the season doesn't begin until next November. But, with the production of citrus fruits increasing steadily during the last several years, it is fair to assume that the citrus juice pack will at least equal the current year's and probably exceed it. Supplies of grape and pineapple juice will fall somewhat short of demand during the current season.

• Seasonal Vegetables—In the seasonal vegetable group, there has been a continued shortage of canned tomatoes during the current year. While next year's production will decline slightly from this year's, shipments to civilians will exceed current figures by 11%. With the exception of tomatoes, there will be fairly high to record quantities of all items in this group on store shelves.

Continued consumer resistance to low-quality canned vegetables this season will tend to force canners to improve the quality of their packs. Apart from the weather, about which they can do nothing, canners of nonseasonal vegetables are most concerned with the casing of restrictions on tinplate, which hampered their production all during the war.

• For Babies—Baby food production has increased steadily ever since the founding of the industry 20 years ago. The current pack has been sufficient to take care of all requirements, and, in view of this fact, there has been some talk that production would level off close to the present figure of 14,000,000 cases. However, it would seem that the U.S., currently enjoying the greatest marriage boom in its history, may be able to absorb even more baby food in the years ahead.

## Pig Iron Squeeze

To assure supplies for critical users, government plans allocations, resumption of operations at RFC blast furnaces.

It will take 60 to 90 days to ease the current critical shortage of pig iron, resulting from the recent coal and steel strikes. Several months will be required to put back into operation some of the blast furnaces idled by the strikes. Meanwhile supplies of good coking coal for the furnaces have been cut, and integrated steel companies will need more-than-normal amounts of iron to make up for short supplies of scrap.

• Mills Use Own Iron—With many blast furnaces down (on June 1, only 74 U. S. furnaces depending on Lake Superior iron ore were in blast, as against 164 a year earlier), users of merchant iron, particularly foundries, have been hard hit. Normally, about 85% of pig iron production enters steelmaking, and the rest goes to foundries. Now, the large integrated steel companies such as Bethlehem and U. S. Steel tend to hold their iron output for their own use.

The Civilian Production Administration is moving to put into effect a partial allocation plan for pig iron, similar to the "voluntary certification" scheme for steel, to assure adequate iron for foundries making items entering housing, farm equipment, or railroad brake shoes. This plan will affect only about 25% of the 6,000,000 tons of foundry and malleable grades of iron produced annually.

• Back Into Operation—Total pig iron production of all grades over the next twelve months may reach 60,000,000 net tons, and CPA plans to bring relief to other users of pig iron by bringing into operation idle government blast furnaces and subsidizing high-cost privately owned units.

Signing of contracts by the RFC with private companies for operation of government blast furnaces at Gadsden, Ala., Chester, Pa., and Cleveland is being held up by inadequate coke supplies. The government is said to be prepared even to pay heavy freight costs to bring Lake Superior iron ore down to Gadsden to lift output of that furnace, formerly operated with lower-grade south-

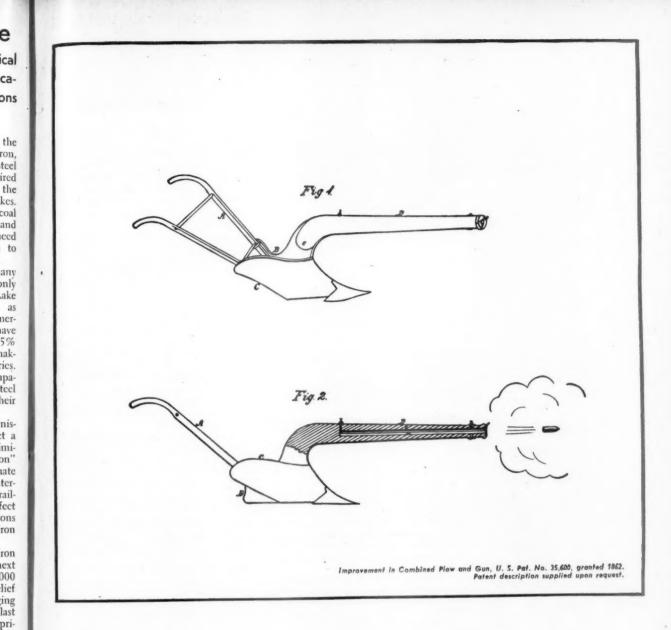
• Price Boost Certain—Higher prices for pig iron are, of course, inevitable. Blast furnace operators have been hit by a 50¢ a-gross-ton boost in iron ore prices and a 40½¢-a-ton increase in soft coal prices, which have jacked up pig iron production costs by \$1.39 a net ton.

## Canned Fruit & Vegetable Products

Figures in (Millions of Cases)

Period	Production	Imports	Total Supply Including Carryover	Civilian Shipments	Government & Export Shipments
1946-47*	424.4	.8	482.3	407.4	19.1
1945-46	418.1	.7	475.2	377.2	40.9
1944-45	398.4	.8	470.0	288.6	125.0
1943-44	361.6	.8	434.7	270.4	93.5
1942-43	382.0	.7	493.0	311.6	109.2
1941-42	387.6	1.2	482.6	336.0	36.3

<sup>\* 1946-47</sup> figures are estimated. Data: Dept. of Commerce.



## Why worry about reconversion?

You've heard a lot said about beating plowshares into swords, and vice versa. Well-that's no problem with this plow. It's got a weapon built right in!

Gun-plows and other such clever combinations do look good - on paper. But in actual practice, it's the simple, uncomplicated, direct idea that often does the best job.

That's true, you'll find, of a fast

and simple idea called the "Comptometer Check-and-Payroll Plan." Postings are made directly to the employee wage statement attached to the check. There's no involved filing, bookkeeping and posting. The payroll is completed in less time with less labor.

The Comptometer Check-and-Payroll Plan is error-safe and money-saving. Ask your nearest Comptometer Co. representative to give you full details. The Comptometer, made only by Felt & Tarrant Manufacturing Co., Chicago, is sold exclusively by the Comptometer Company, 1733 N. Paulina St., Chicago 22, Illinois.

## COMPTOMETER

Adding-Calculating Machines and Methods

8-W. ATER & SUS

e

5%

on"

rail-

ron

pri-

rith ovla., ing ies.

red

ing

ids-

for-

th-

ces

ole.

hit

ore

oft

pig

net

946



DALLAS CHAMBER OF COMMERCE, DALLAS 2, TEXAS

## Charges Reversed

Shipping firms must spend large sums for care of stowaways trying to enter the U.S. Number steadily increasing.

Stowaways aboard ship are no longer a novelty. Since the war ended there has been a steady increase in illegal passengers who somehow manage to secrete themselves on U. S.-bound ships in foreign ports. In recent weeks the number has grown so alarmingly that it is costing shipping firms thousands of dollars.

U. S. immigration laws make ship operators responsible for returning the intruders to the point at which they first board a ship. If one escapes, the line is subject to a \$1,000 fine by the Justice Dept. Furthermore, the company is obliged to see that stowaways are safely interned during their stay here, and it must pay for their keep.

• Sad Experience-If the vessel which harbored the aliens is not making a return voyage, the stowaways are usually placed aboard another of the same line. When it has no such sailing scheduled, the company is obliged to pay the stowaway's homeward fare on a com-

petitor's vessel.

Probably the prize example of the financial burden incurred by a shipping company on a stowaway is American Export Lines' experience with a Spaniard who hid on the Samuel Gorthon at Cette, a French Mediterranean port. Private detectives paid by the line took the man to Philadelphia's Moyamensing Prison on Apr. 25. On May 10, he became ill and was transferred to a hospital, where the company has been paying guards for three eight-hour shifts daily. The bill for guards alone now exceeds \$600.

• Fellow Travelers-Stowaways usually arrive in pairs or groups. The Port of New York, for instance, received eleven on the Vulcania from Italy recently and the Queen Mary brought ten from Eng-

While en route to this country, stowaways sometimes learn that only deportation awaits them and attempt to escape. Two from Messina, Italy, were recaptured after diving over the side of a ship headed up the Delaware River for Philadelphia. The Spanish-speaking skipper of another ship heard his two Annie Oakley passengers planning to make a break for it and had them handcuffed to a hatch cover.

• Women, Too-Not all stowaways are males. An English mother and eightmonth-old baby were discovered on the transport Marine Victory headed for Boston, and two English girls who hid





# Hein-Werner Hydraulic Jacks are loaded with POWER

There's super-strength packed into these H-W Hydraulics ... easy operating power that's tailor-made for a wide variety of jobs in your plant.

For lifting, moving, pressing or bending, see how easily one man and a Hein-Werner Hydraulic Jack can handle the job.

Made in models of 3, 5, 8, 12, 20, 30 and 50 tons capacity. Consult your nearest industrial supply distributor or write us.

## HEIN-WERNER MOTOR PARTS CORP., Waukesha, Wis.



Dairies Everywhere Use Frick Refrigeration



Markets Find It Most Dependable



Fruit Growers Like It Equally Well



Largest U. S. Locker Plant Has It



Indispensable Servant of the Food Industries—



Americans EXPECT their foods to be protected by adequate refrigeration. The average city, in fact, would go hungry if deprived of its refrigerated transport, ice plants, and mechanical cooling systems.

Whether you operate a packing house, brewery, bakery, quick-freezing plant, or any of the businesses here illustrated, there's a Frick refrigerating system to suit your exact needs. Frick engineers are at your service with recommendations and estimates in 125 principal cities throughout the country. Write for Bulletin 80-8, and tell us about the cooling work you wish



aboard a tanker going to Philadelphia were found by a crewman who smelled their perfume. The ensuing publicity brought hundreds of letters proposing marriage to the girls.

Shipping officials are doing everything in their power to stem the flow of free riders. Vessel captains are instructed to put them to work immediately upon discovery. Needless to say, none of the jobs assigned fall in the white-collar category, and there is no 40-hour-week law that covers them.

#### CAN MAKERS INDICTED

Climaxing its antitrust drive in the container field, the Justice Dept. has obtained indictment by a federal grand jury, sitting in San Francisco, of American Can Co. and the Continental Can Co., which account for 85% of the \$400 million can manufacturing industry. The drive had already hit Owens-Illinois Glass Co., for alleged illegal tie-in agreements in leasing vacuum capping machines to coffee roasters (BW-Apr.27'46,p20), and the White Cap Co., for similar lease terms allegedly restricting use of vacuumizing equipment solely to application of defendant's caps. Both companies said that tie-in clauses were stricken out of their leases some time ago.

Charges against Canco and Continental are of another color. They run the gamut of price-fixing—by joint agreements, coercion of competitors, and a freight equalization plan—and also accuse the two companies of dividing sales territories and fields.

Canco's president, D. W. Figgis, promptly declared that his company is "meticulous" in law observance. Figgis said that competition "far from being stifled has constantly increased between can manufacturers and between them and producers of other types of containers."

#### PINCH FELT IN POI

A shortage that most of America wouldn't understand is important news in Hawaii

Poi, a staple food of nonwhite islanders, is so scarce that enthusiasts wait in line all night to get the little bit that will be for sale next morning.

Poi is a sticky, pasty substance made from the root of taro (a plant that looks like the American "elephant ear"), which is grown in marshes. Main reason for the scarcity is that marshes are being drained to make way for housing. Also, raising taro is back-breaking labor.

Gov. Ingram M. Stainback is having 200 acres of territorial prison land turned over to taro cultivation with prison labor, but it will be almost two years before the land can be cleared and the first crop matured.

lphia elled licity osing

flow e innedisay, the

the has rand mer-Can the dus-dens-legal uum sters hite al-zing de-said tt of

et of ontirun greeid a acding

ggis, y is ggis eing veen hem

erica ews

andtin that ade poks r"), reaare ing. bor. ring and with two

1946



#### TUMBLERS THAT MAKE LIGHT OF A HEAVY FOOT

Made of Du Pont polythene . . . they're unbreakable!



Polythene molding powder is made

in a wide range of attractive colors. For tumblers, as for many other products, color helps to make the finished product more salable. Another new product from a Du Pont plastic! These household tumblers are also light, tasteless, odorless, good-looking -just what the housewife has been looking for, for years.

An alert manufacturer saw in the unrivaled properties of Du Pont polythene just the combination for the product he had planned. The specific gravity of polythene is 0.92. It floats on water! Polythene is chemically inert, flexible, and has outstanding electrical properties too. Other manufacturers are using many of these properties to advantage in products as diverse as refrigerator bowl covers, insulation for television cables and-baby pants.

We think it will pay you to know more about polythene-and about all the other Du Pont plastics too. One of

them may lead you to a new product, or a way to improve an older one. Why not write for literature on them all-today? E. I. du Pont de Nemours & Co. (Inc.), Plastics Dept., Room 607, Arlington, New Jersey.





CC Industrial Trucks

When production costs must be cut and your attention must turn to hitherto neglected wastes in material handling, you will find the answer in mechanization with central station electric power-the power that serves industrial processes most dependably, most economically.

In warehousing, in serving common carriers or production processes, you will find that materials flow easily, quickly, safely, and at the lowest cost per ton handled, when the job is assigned to battery-powered self-loading industrial trucks.

## The Electric Industrial Truck Association

208 South La Salle Street, Chicago 4, Illinois



#### FOR THESE BOOKLETS ...

Two illustrated booklets—MATERIAL HANDLING HANDBOOK and UNIT LOADS—may help you detect and correct excessive cost wherever you move or store materials.

hig br sa

the in poor be inguity was to claw a war in ra in the ra

S. H

W Si to

## INSURANCE

## Auto Rates Up

Increase in accidents and higher cost of settling claims bring premium hikes. Over-all sales volume is at high level.

Automobile insurance rates are on the way up. Most of the wartime cut in premiums—from a motorist's standpoint, about the only good that could be found in the ill wind of gas rationing—was restored last year when the curbs on driving came off Now the steadily rising total of accidents and claims is pushing rates above the prewar level.

• Up in Most States—Effective July 1, New York Superintendent of Insurance Robert F. Dincen accepted a new schedule filed by automobile liability underwriters calling for a 10% boost in bodily injury and 25% in property damage rates. Comparable increases were put into effect last May in the 29 states that do not require official approval of rate changes. Since then, eight of the



#### SAFECRACKERS TAKE NOTE

Hitching its latest publicity release to an atomic bomb, the Mosler Safe Co., Hamilton, Ohio, points with pride to several of its products that came out of the Hiroshima holocaust with slight damage. Installed in the wrecked Teikou Bank, the U. S.-made safes (above) were seared and battered, but yielded up their contents undamaged. The safes are still in good working order, Mosler reports, but two made-in-Japan vaults in the same bank were wrecked.

BUSINESS WEEK . July 13, 1946

regulated states in addition to New York have approved similar hikes, so that new schedules are now in effect in 38 states.

In Texas and Massachusetts the state sets the rates itself, and adjustments are in the works. In Kansas and New Hampshire the underwriters have filed for an increase and have been turned down. In North Carolina, New Jersey, and Oklahoma they have filed but not yet received approval. And in Virginia, Louisiana, and Mississippi they have not yet got around to filing.

• Accidents Increase—The upward spiral of rates probably hasn't ended, although the underwriters will wait a while before they give it another boost. Most of the big casualty insurance companies expect to lose money on their automobile liability policies through 1946 and probably 1947.

The reason for the rise in rates is

The reason for the rise in rates is double-barreled. Since the end of gas rationing there has been a steady increase in accidents, and since the beginning of the war there has been a strong upward trend in the average cost of settling claims.

In 1941, the last year before rationing, there were 181 bodily injury claims filed monthly for each \$1,000,000 of insurance in force. In 1942, the average dropped to 122. In the last quarter of 1945, after gas rationing came off, it jumped to 187.

• Higher Settlements—The picture is much the same for property damage. Accident frequency dropped sharply in 1942 and 1943, turned up a trifle in 1944, and started to climb rapidly in the last quarter of 1945. New York state records show a property damage frequency during the first eight months of 1945 of about 78.4% of 1941. Since then the ratio has been running around 82%

Meanwhile, the cost of settling claims has been going up steadily, reflecting the rise in the general price level and the higher earning power of persons disabled in accidents. In 1941, the average property damage claim was settled for \$31. Last year, the claim cost was up to \$51. In bodily injury, the average 1941 claim cost was \$299. This rose to a high of \$382 in 1943 and then dropped back to \$350 in 1945 as the resumption of pleasure driving brought a sharp upturn in the number of small claims.

In adjusting their rates to take account of all these changes, the insurance companies had to shelve their elaborate formulas and make a more or less blind stab. Ordinarily, the underwriters base all changes on detailed



The San Francisco

## **EXAMINER**

is among the oldest and most noted.



## ing Cranes do the *Heavy* work





125-Fon Whiting Crane used in the structural mill—shown mov-ing one of the mill's rolls for in-stallation

## save manpower for production

Why call men away from their machines to move heavy materials? Costly man hours are better spent in production.

Whiting Cranes are specifically designed to do heavy material handling-do it better and at lower cost. Where cranes are "on the job" man hours are production hours; working conditions are improved.

Whiting Engineers have specialized in material handling for over 60 years. Let them show you where Whiting Cranes can raise production levels and lower costs in your plant. Write today. Whiting Corporation, 15661 Lathrop Ave., Harvey, Illinois.

experience records, and the usual procedure is to follow five-year trends. When gas rationing went into effect, the companies had no experience to guide them in setting new rates, and they made the wartime cuts on the basis of their best guess as to what the loss record would be. As it turned out, the wartime rates proved about right in relation to accident frequency and settlement costs.

· Gloomy Outlook-Now the underwriters are going through the same process in reverse. The record of the past five years is no guide to what will happen from here on. Even the 1945 figures standing alone probably would not justify a big boost, but the experts gloomily predict that the 1946 summer touring season will make the latest rate

increases inadequate.

Just what happens to rates over the long pull will depend in large part on the success or failure of the various campaigns to reduce traffic accidents and improve standards of public safety generally. Rates will follow the trend in risks, either up or down. Safety experts think that the only hope of permanently reducing the risk and hence the rates is a nation-wide program to improve driver habits and tighten up traffic regulation.

• Eye on Volume-One thing that has made insurance companies do a lot of thinking is the fact that their automobile business increased considerably during the war in spite of all their expectations to the contrary. Even with reduced rates, underwriters who collected \$192,776,000 in bodily injury premiums during 1941 took in \$200,-

169,000 during 1945.

The increase was due partly to the general prosperity and partly to the spread of financial responsibility laws, which make liability insurance more or less compulsory. But one of the big reasons was the lower cost to the buver. Insurance companies now are watching anxiously to see if the boost in rates will drive away much of the business they picked up after the wartime cut

#### HOME-OFFICE EXPANSION

Boston's three biggest insurance companies are planning to add some new features to the old city's skyline as soon as the tight building situation eases up a bit.

New England Mutual Life Insurance Co., which finished its gleaming white tower in Copley Square just before the war, has bought the adjoining site, now occupied by the historic New England Museum of Natural History. The purchase gives N. E. Mutual a complete city block. New construction will be delayed for about two years while the museum builds a new home

10-Ton crane places a mold on an ingot buggy West billet View in the east billet yard, showing a Whiting 25-ton Crane

Views above were taken in the Kaiser Company's plant at Fontana, California

BUILDERS OF QUALITY CRANES FOR OVER 60 YEARS Dependable · · Quiet-Running · · Durable Offices in Chicago, Cincinnati, Detroit, Los Angeles, New York, Philadelphia, Pittsburgh, St. Louis, and Washington, D. C. Agents in other principal cities. Canadian Subsidiary:
Whiting Corporation (Canada) Lid., Toronto, Ontario. Overhead CRAN

ronto, Ontario.



The No. 522 Regulator shown on this page is a recent development of The Fulton Sylphon Company, an organization of temperature control specialists with more than 40 years' experience in this field.

This regulator is not an all-purpose control, but one which was specifically engineered to do either of two important jobs and do them well. It can be used to control the flow of hot water to individual concealed type radiators; or to a hot water reheater for heating and ventilating systems.

Secret of its dependability and accuracy is its Fulton Sylphon metal bellows thermostat—providing you with self-powered, longlasting, trouble-free service.

You ought to know more about this remarkable regulator and its companion controls in the Fulton Sylphon line. A letter on your business stationery will bring you a free copy of Catalog WN-820 which gives complete information. Write for it today.



Canadian Representatives, Darling Brothers, Montreal

ls.

to nd he

it, in et-

erne he

45

ıld

rts

ner

ate

he

on

nts ety nd exernce

to up has of ito-

eir

ith col-

ury 00,the

the

WS,

or

rea-

ver.

ing

ites

ess

cut

om-

new oon up sur-

being New ory.

l a

ion

me 1946

# Defense against Disease



against disease, look to Hercules Land for the latest developments in efficient, economical toxicants for sprays, powders, dips.

in their never-ending war

Hercules toxicants provide insecticides that quickly kill flies, mosquitoes, roaches, and similar pests. Available

in oil-soluble or water-miscible forms, these modern toxicants enable the insecticide manufacturer to combat effectively practically

any problem of insect control at the lowest possible cost—in the home, barn, stable, kennel, or on marshlands and city dumps.

If you make insecticides, it will pay you to know more about Hercules. The new 40-page book, "Hercules Products", describes the many materials available for industrial uses.

HERCULES POWDER COMPANY
968 Market Street, Wilmington 99, Delaware



for itself on the Charles River near Beacon Hill.

Liberty Mutual announced plans a year ago for a new building on nearby St. James Ave. And the John Hancock Co. recently revealed that it plans to put up a \$15,000,000 office building that will be even larger than N. E. Mutual's.

# **Ex-Partners Feud**

Former head of mail-order insurance company would cancel sales pact. Old-line firms hope mail trade gets court airing.

Lawsuits are no novelty in the insurance business, but the National Protective Insurance Co. of Kansas City now finds itself in the middle of an unusual legal battle in which one of the two principal owners of the company is suing the other.

• Would Cancel Agreement—Former president Robert A. Ridgway has just brought two actions against his old friend and partner Ross J. Ream, the current president. Ridgway charges that Ream took advantage of him after a long illness and inveigled him into signing an agreement whereby the surviving partner would be entitled to buy out the other's share for \$360,000. According to Ridgway, the business has a value of at least \$1,500,000, so that a half interest would be worth twice as much as the price prescribed in the agreement.

Ridgway petitions to have the whole agreement set aside. He also wants the court to overrule a vote of the National Protective directors putting the affairs of the insurance company under three "managers" with Ream placed at their head.

• Long-Standing Feud—A courtroom airing of National Protective's business would cause no sorrow among the regular insurance companies, which always have looked upon the insurance-by-mail companies with a cold and suspicious

eye.

The long-standing feud between the old-line companies and the mail-order operators comes down to a fundamental question of how insurance should be sold. The regular companies sell through agents, and a considerable portion of their income has to be charged off to distribution expenses. Mail-order companies contend that by saving on distribution they can give the policyholder a better buy. The regular companies contend that any saving in distribution costs is more than offset by the greater risks that the mail-order companies take; they charge that the only way mail-order operators can stay

in business is by beating down the claims on technicalities.

• Mail-Order Volume Gains—In spite of the opposition, mail-order insurance has been an expanding business. National Protective Insurance, for instance, now has about 150,000 policies in effect, most of them in casualty lines, with accident and health policies making up the biggest part of the business. It averages about 6,000 claims a year, says that it has had no lawsuits over payments of benefits in the last four years.

The company started in 1926, when Ridgway, an insurance salesman, and Ream, a lawyer, teamed up to sell accident insurance by direct mail. It was one of the first to use the familiar line, "One cent a day will pay \$100." From accident policies, the company branched out into other forms of casualty. Recently it has been concentrating on hospitalization—\$5 a day, any hospital, anywhere, "paid to you personally."

• In Life Field, Too—As early as 1928,

• In Life Field, Too—As early as 1928, National Protective began a cautious approach to life insurance, the field in which the mail-order technique has been subject to the greatest criticism. At first it offered only a limited line, but in 1944 it began to reinsure the business of the Guardian National Life Insurance Co., Lincoln, Neb., which gave it a full life line. Today it has about \$5,000,000 in life policies in force.

Until a few years ago, National Protective operated on the "inspection" system; that is, it sent policies out to prospective buyers and put them in force if the buyer forwarded the premium within ten days. Since the war began to boom business, the company has required prospects to send in an application and the first premium before issuing a policy.

• Buys Mailing Lists—To keep up its volume, the company mails out 500,000 to 1,000,000 pieces of selling literature each month. It secures most of the names of prospects from lists, which it buys from list brokers. Boston is the recognized center for list selling, and a company official usually makes a couple of trips to Boston a year to keep the prospect files full.

One of the hazards of mail-order insurance is the spirited objections of state examiners who protest that the mail companies are operating without a license. National Protective has had its share of trouble along tl.is line, but it always has been able to prove that legally it operates only in Missouri, where it is licensed, even though it does business with policyholders in every state. Some years ago, the Canadian government ruled that the company should not sell any more policies in Canada, but allowed the insurance already in force to continue.



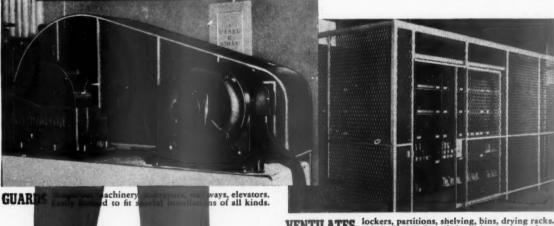
ARE YOU THE MAN

in your plant who should know about

# WHEELING **EXPANDED METAL?**

EVERY day more and more industrial problems are solved by Wheeling Expanded Metal. This practical modern construction metal, stronger than a corresponding steel sheet of the same weight, can be easily formed to thousands of plant usesmachine guards, sky-walks, tool room and other enclosures, lockers, bins, sanitary shelving, drying racks, work baskets, fence, window guards, etc.

Remember, too, that it freely admits both light and air and that it is easy to keep clean-important to plant users. Comes in a wide variety of weights and mesh sizes. Write us for complete information.



VENTILATES lockers, partitions, shelving, bins, drying racks.

Admits both light and air, sanitary, easy to clean.

PROTECTS tool rooms, locker rooms, plant offices, plant windows. offices, plant windows. Virtually tamper - proof.

OTHER USEFUL WHEELING PRODUCTS

Heavy Pails . Roller Cans . Oily Waste Cans Concrete Reinforcement . Metal Lath . Steel Floor and Roof Deck

WHEELING CORRUGATING COMPANY · WHEELING, W. VA.



the spite ance Nance,

efnes, nak-

less. ear. over four

hen

and cciwas ine. om

hed Re-

on tal,

28, ous

in

has

sm. ne,

the

ife

ich

has in ron" to in rear nv an eits 00 re he it ne

a le

ne nof ie ıt d

ıt at

it n

#### Metals Industry . . . **Industrial Keystone**

Most Americans today are aware of the economic importance of the "Big Three": steel, coal and wheat. Smaller volumewise, another group of materials - the non-ferrous metals - is equally necessary to the health of the nation's business bloodstream. Ranging from familiar metals such as lead, copper and zinc to the lesser-known molybdenum and vanadium, this galaxy of some ten



"The Metals Industry" Vitally important

different metal types is often called the keystone of our industrial future.

To bring the importance of these metals into focus, the nationwide investment firm of Merrill Lynch, Pierce, Fenner & Beane has prepared a booklet, "METALS - 1946" - which provides investors with a full-length portrait of the non-ferrous field. Here are discussed the thorny questions of supply and demand, availability of reserves, problems of labor and competition.

Pointed and concise, "METALS -1946" delves into the uses of each metal, provides a frank appraisal of favorable and unfavorable aspects for the industry as a whole and is as comprehensive and as accurate as research and field investigation can make it. Settling down to facts and figures, this valuable booklet contains detailed analyses of no less than 43 companies, discusses their business activities, gives sales, earnings and dividend records since 1936 as well as other pertinent facts. In short, the booklet reveals the non-ferrous metals industry as the minuteman helping America to re-establish her peacetime economy.

The usual request\* will bring readers a copy of "METALS—1946" without charge; they will find it contains material of lasting value as well as providing facts on which sound investment decisions are made.

# WALL STREET | FINANCE (THE MARKETS-PAGE 98)

# Lusty 8-Year-Old

Cleveland's Union Bank of Commerce writes happy epiloque to financial drama that was anything but gay in 1933.

The Union Bank of Commerce isn't one of Cleveland's oldest or largest banks. It dates back only eight years. Its \$118,614,517.38 of resources on Apr. 30 were small by comparison with those of the Cleveland Trust Co., which recently became Ohio's first member of banking's Billion-Dollar Club.

Since its inception, however, the Union Bank of Commerce has had local importance quite out of proportion to either its size or its age. As the phoenix which finally arose from the ashes of the early-1933 failure of the Union Trust Co., once Cleveland's leading bank, its career from hereon-as in the past-may be expected to engage the interest of an above-average number of Forest City residents.

· A Matter of History-In the early days of 1933, casual observers might have thought that few Clevelanders were paying much attention to the rising flood of out-of-town reports that the national banking system was showing ominous signs of wear and tear.

Cleveland banking officials, however, knew differently. Their sharply shrinking deposits had made them well aware that the unfavorable potentialities inherent in the bank failures that had occurred in Atlantic City, St. Louis. Kansas City, and an increasing number of other far off places, weren't being overlooked by all their depositors.

 And So Downward—Those directing the affairs of the Union Trust Co., in particular, could have had no illusions on this score. Despite that bank's local leadership, its deposits had disclosed a 37% drop in the 1929-32 period against an over-all drop in Cleveland bank deposits of only 30%. Early 1933 saw Union Trust's deposit withdrawals proceeding at an even faster pace, more and more exceeding the daily intake of its tellers' windows.

Few Cleveland bankers, however, ever visualized the crisis they were to face by mid-February. By then, serious banking troubles in Detroit had resulted in Michigan's bank moratorium, temporarily freezing over \$1,500,000,000 of funds deposited in that state's 550-odd banks. This news immediately started panicky withdrawals from Cleveland institutions. The latter were also immediately called upon to pay out money for Detroit payrolls to manufacturers having accounts in both cities.

• Bearing the Brunt-For ten days, in fact. Cleveland bore the brunt of the



#### FOR FAST FREIGHT WORK ON THE RAILROAD

Rounding the bend at Hoboken, N. J., the new Pioneer, fast Lackawanna R.R. freight train, heads for Buffalo. Resumption of this run is a step in that line's buildup-similar to efforts by other roads (BW-Apr.27'46,p28)-for faster service to compete with air traffic. Another freight trend, spurred by shortages inherited from the coal strike, is evidenced by the diesel-electric that pulls the Pioneer—on a line that has been an important coal carrier.

<sup>\*</sup> Mail your request for "METALS-1946" to: Department "BW." Merrill Lynch, Pierce, Eenner & Beane, 70 Pine Street, New York 5, N. Y.

# Blood Pressure, like steam pressure



in a

boiler, goes up and down, so don't worry if yours is tempo-

rarily high,

er, nkare

innad lis. ber ing

ing in ons cal

la nst deaw ro-

nd its ver ice

us ed 111of dd

ed indiey ers

in he



particularly during periods of stress.

However, if it frequently gets above normal, or stays there,



must work harder and ultimately may be

impaired. The blood vessels are also put under greater

strain which may affect brain, eyes, kidneys, and other



organs. Fortunately, medical science is on the march



against high blood pressure.

When caught in time, high blood pressure may be controlled or possibly eliminated.

The likelihood of having high blood pressure may be lessened if you follow your doctor's advice as to normal, healthful living and have regular, periodic medical examinations.

If an elevation of the blood pressure develops, these examinations will detect it in the early stages and permit measures which may keep it in check. Your doctor may advise as to diet, rest, reasonable exercise, elimination of infections, avoidance of continued mental or physical strain, and getting weight down to normal.

Medical scientists are continuing to study new methods through which high blood pressure may be even more effectively combatted. Some authorities be-

lieve the kidneys play a vital part in certain high blood pressure cases and that these patients may be helped through special diets and limitation of liquids. New surgical techniques at times have proved effective for selected cases. Psychotherapy is another method under consideration. There also is hope that new drugs may be developed which will be helpful.

One hundred and forty eight life insurance companies have formed the Life Insurance Medical Research Fund. This group is making grants to help finance research projects relating to diseases of the heart and blood vessels, including high blood pressure.

To learn more about high blood pressure, its effect upon your heart, and how to guard against it, send for Metropolitan's free booklet, 86- S, "Protecting Your Heart."



(A MUTUAL COMPANY) Frederick II. Ecker. CHAIRMAN OF THE BOARD Leroy A. Lincoln, PRESIDENT

1 Madison Ave., New York 10, N. Y. COPYRIGHT 1946-METROPOLITAN LIFE INSURANCE COMPANY

TO EMPLOYERS: Your employees will benefit from understanding these important facts about blood pressure. Metropolitan will gladly send you enlarged copies of this advertisement—suitable for use on your bulletin boards.

TO VETERANS-IF YOU HAVE NATIONAL SERVICE LIFE INSURANCE-KEEP IT!

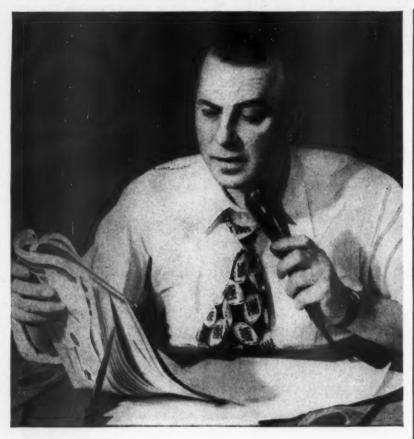
S

er

es

ie

46



## Man about to land a fish ...

He'll be whipping a swift trout stream just a few hours from now. That's why he's here tonight—to clean up all his work before a long weekend

How can he dictate so late . . . alone? He uses Dictaphone Electronic Dictation! He can talk his work away—early, late, or through the lunch hour, without being dependent on his secretary.

What's more, he can relax...dictate in an easy conversational voice. The new close-talking electronic microphone records even a whisper, yet filters out all interfering sounds.

Freed from note-taking, his secretary is able to do her other work better and protect him from interruptions. And she doesn't know what "overtime" means!

Both of them find that Dictaphone Electronic Dictation doubles their ability to get things done!

Like to see the new Dictaphone electronic equipment? Your nearest Dictaphone representative will gladly show you models for cabinet, stand or desk-top use. Consult the phone book or write for descriptive literature. Dictaphone Corporation, Dept. D-7, 420 Lexington Avenue, New York 17, N. Y. In Canada: Dictaphone Corporation Ltd., 86 Richmond St. W., Toronto 2, Ont.

# DICTAPHONE Electronic Dictation

The word DICTAPHONE is the registered trade-mark of Dictaphone Corporation, makers of Electronic and Acoustic dictating machines and other sound recording and reproducing equipment bearing said trade-mark.

national resistance to the Michigan bank holiday. Millions were being drawn out by such large depositors as Ford, Chrysler, and General Motors. The city's banks in those ten days actually suffered greater withdrawals than Michigan institutions had been called upon to meet in the three preceding months.

As a result, it was finally necessary for Cleveland banks to limit withdrawals to 5%. And these restrictions remained in force until the national bank holiday was declared on Mar. 6.

The holiday proved particularly welcome to Union Trust officials. By then the institution's deposits, almost \$195,000,000 at the 1932 year-end, had slumped to around \$131,000,000, due at least in part to withdrawals inspired by increased local mutterings that all was not well with the bank.

• The Political Overtones—Where the rumors directed at Union Trust had their origin has never been definitely determined. However, Joseph R. Nutt, Union's board chairman until July, 1932, had acted as treasurer of the Republican National Committee. Also, he had worked mightily to defeat Democratic presidential nominee Franklin D. Roosevelt in the 1932 election.

As a result, when the Federal Reserve refused the bank a license to operate when the national holiday had ended, there were many loud allegations that spite in high places had played a large part in deciding the fate of the trust company.

This clamor wasn't confined to Cleveland. Union Trust had been the correspondent for 293 small-town Ohio banks, and many of these were destined never to reopen because of its troubles. Nor did the charges that politics were being played die down when subsequent earnest attempts to reorganize the bank proved fruitless and a conservator of its assets was appointed.

• 100¢ on the Dollar—Since the closing of the Union Trust, depositors have received 100¢ on the dollar on their claims, and a neat sum will soon be split to recompense them for interest lost during the long freeze.

Stockholders of the closed institution have also had returned to them the equivalent of the 100% assessment they were subsequently compelled to pay and their chances for recovering part of their original investment in Union Trust shares are brighter now than ever before.

Because of these and other factors, many local "die-hards" still feel certain that the bank's condition when the national bank holiday had run its course did not warrant its being sentenced to oblivion.

• On the Other Side-However, other figures can easily be assembled to prove that the Union Trust's assets at the time were in such condition that it

i the transfer of the transfer

o o d b

r

C

o tl

B

could not have continued without a thorough overhauling which, in itself, would have meant the virtual establish-

ment of a brand-new bank.

an

ng

as

DIS.

ac-

an

led

ing

arv

W-

re-

mk

rel-

nen

15 .-

nad

lue

red all

the

nad

elv

att.

ilv.

Re-

he

D.

rve

ate

ed.

hat

rge

ust

eve-

COT-

hio

ned

les.

ere

ose-

the itor ing

re-

heir

plit

lost

ion

the

hev

and

heir

rust

ore.

ors.

tain

the

urse

to

ther

rove

the

t it 1946

Overlooked, for example, is the fact that its bills payable to other banks, the RFC, and the Federal Reserve totaled almost \$25,000,000 when the bank holiday ended and that far too large a proportion of its \$206,000,000 of resources was then represented either by real estate or by badly chilled, if not entirely frozen, loans against more real estate or securities.

• Real Estate Deflated-Similarly forgotten is the fiscal condition of Clevelanders in general in early 1933. The city had suffered the same real estate boom and deflation that had caused Detroit its troubles, and as in Detroit its real estate map by then was disclosing almost as many vacancies as occupants. Too late, also, Cleveland's vaunted industrial diversification of those days had been found to be largely diversification around the automobile.

Cleveland's banks had loaned substantial funds to, or on the securities of, holding companies in the steel, real estate, building, and railroad fields. And the earlier controversy over the possibility of a merger of Youngstown Sheet & Tube and Bethlehem Steel had led to the accumulation of steel stocks at high prices, financed by bank loans not easily liquidated when the populace started withdrawing its savings.

• Question of Liability—The first step in liquidating the Union Trust was taken in June, 1933, when 4,000 stockholders were called upon to pay up on the 100% liability they had assumed on becoming owners of its shares. There was no rush to do this. Instead, more than a few stockholders dashed to transfer such holdings to dead relatives and estates, and a court ruling that held owners of stock as of Feb. 27, 1933, responsible for paying the levy was necessary to establish the liability accruing in this respect.

After that the conservator was engaged for some years in the task of liquidating Union Trust assets in an orderly fashion. As this proceeded, the depositors received liquidating dividends, and by early 1938 they had been paid 45% of their frozen deposits.

• A New Bank-By then, however, it had also become apparent that the assets remaining were sufficient to provide the basis for a new bank, and that more might be realized for creditors if the remainder was liquidated by a going

ment.

An agreement on this point was soon reached by the conservator, 82% of the old Union Trust depositors, 91% of the old stockholders, the Federal Reserve, and the RFC. And the Union Bank of Commerce opened its doors

concern operated under private manage-

#### MEMORANDUM

#### TO MANAGEMENT



As far as we know, not a single foreign correspondent of Business Week wears a full beard. None ever belonged to the Foreign Legion, was the center of an international spy ring, or had narrow escape from an assassin's bullet.



Lest readers quickly conclude these correspondents are a dull lot, however, let it hastily be added that they are as alert, as engaging (and as romantic!) as any group of business men. To the audience of Business Week, that should be recommendation enough.

As a matter of fact, many of these writers were business men before they became bisiness newsmen. And their special training as Business Week correspondents has been particularly along the business line.



Now that our pre-war foreign bureaus are being re-established, and expanded, the rapid addition of new men to this staff has made it possible to organize new methods of demonstrating exactly what kinds of foreign news Business Week requires.

Some of these men have come to this staff from other agencies like the Foreign Economic Administration and the Foreign Policy Association. Some, like Drs. Ernest Hedigar and Howard Whidden, are economists with years of practice. But in spite of wide backgrounds, all of them have been qualified for their Business Week jobs by twelve weeks of special training.

Daily during this training, they work side by side with the editors of 26 McGraw-Hill business and trade publications. They help edit copy of the men who are already in parts of the world where they themselves will ultimately open full-time bureaus. They are given rewrite assignments on stories of management interest. They send cables and teletypes for checks on facts and figures. And they ask questions.

After three months come final conferences with John Chapman, Business Week foreign editor, under whose supervision they have been working. Here definite plans are made for staffing the new bureaus. Dates are set for embarkation. But training, however, is not yet ended.

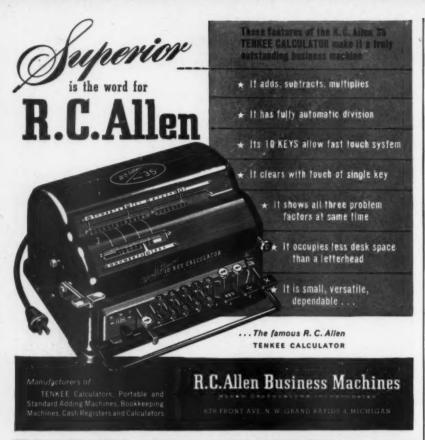
John Christie for example, now en route to open our full-time bureau in Berlin, goes first to London. There he will work with Howard Whidden. Headquartered in London, Christie will make repeated trips into Germany on business-news leads. Back in London, he and Whidden will check copy before final cabling to New York. In this way, John Christie will see exactly how an already successful bureau chief works. He will get a preview of the conditions under which he must work on his own in Germany.



Today there are five men nearing graduation from this special training. In about three weeks these men will leave for various parts of the globe. Then, five or six new faces will be seen in the McGraw-Hill building.

More foreign correspondents (without beards) will be in training.

Saul Montgomery PUBLISHER





## **Precision That Meets Cost-and-Delivery Promises**

THIS PART was turned over to us with costly jig fixtures and tools. But to keep our cost-and-delivery promises, we found it preferable to retool the job ourselves. Tolerances on this part ran as close as +.0005 inches,—.0000. All machined surfaces had to be finished to super-smoothness. Such precision is our business here

at Ericsson—has been for more than 35 years. We are glad to consult with manufacturers whose products are more effectively marketed with closetolerance parts produced economically.





on May 16, 1938, as the quasi-successor to the defunct Union Trust Co.

• One for Twenty-Stockholders of the old bank who had paid their 100% assessment and approved the plan leading to the organization of the new bank, received \$4,000,000 of common stock in the latter on a 1-for-20 basis. An additional \$1,000,000 of preferred stock was sold to the RFC, and the latter likewise extended a \$6,000,000 loan to help the new institution get under way. Assets of the bank when it opened

Assets of the bank when it opened totaled \$46,000,000, made up mainly of some \$37,000,000 of cash and \$6,600,000 of loans, mortgages, etc. Offsetting this were \$38,000,000 of deposits which represented another 35% cash liquidating payment to old Union

Trust depositors.

• Many Redeposit—Despite the immediate availability of the cash, not all of it was rapidly withdrawn. In fact, the first day of the bank's existence saw \$9,500,000 of the total redeposited along with \$4,500,000 of new money. Deposits of the bank on its first birth-

day totaled \$23,840,000.

Organized at the same time as the Union Bank of Commerce was the Union Properties Co., a wholly owned subsidiary set up to handle the liquidating of some \$75,000,000 of the remaining assets of the old Union Trust not deemed suitable for purchase by the new bank. This company immediately issued \$21,242,000 of creditors' notes to cover the unpaid part of the claims of old Union Trust depositors. These have since been paid off entirely. Additional funds will soon be available for payment to their holders, since the plan provided that the old company's remaining assets, after the settlement of all claims against it, were to be split evenly between that group and the new bank. • Preferred Is Retired—By 1940, the new bank, then able to boast almost \$40,000,000 of deposits, felt strong enough to retire the preferred stock RFC had purchased to help in its organization. Three years later it could point to \$93,000,000 of deposits, earnings of \$10.77 on its common stock, and capital, surplus, undivided profits, and reserves approximating \$7,900,000.

This was only a starter, however. Earnings have since risen sharply. In the 1945 fiscal year (the bank's fiscal periods end Apr. 30) profits were up to \$15.08 a share, and in the year just ended net profits zoomed up to \$25.27. Apr. 30, 1946, saw deposits of close to \$109,000,000 and capital, surplus, undivided profits, and a reserve for contingencies aggregating \$9,245,000.

• For Shareholders—Dividends were initiated in 1943 with a \$3-a-share payment. They rose to \$6 in 1944, were at a \$9 level last year, and January, 1946, brought another \$6 disbursement.

The performance of Union Proper-

ssor

the asling ank, rock and rock tter a to way.

tter to vay. ned inly \$6,-Offde-5%

meall act, saw ited ney.

the the med datain-mot the tely otes ims nese Ad-for allan ain-mly ank.

ainall enly ank. the nost ong tock orould arnock, ofits,

ock, ofits, 000. ever. In iscal up just .27. e to un-

payvere vere ary, ent.

1946

# Because photography can be so inexpensive



As these youngsters can tell you ... as you yourself know...it doesn't cost much to take pictures for pleasure. Only a few cents for a snapshot...

It costs even less—much less—to take many of the "pictures" business and industry want, because in these functional applications photography is oftentimes almost entirely automatic.

Good example of this inexpensiveness is Recordak. Reproducing automatically . . . on economically minute areas of microfilm . . . it copies checks, waybills, and other similar documents for a fraction of a cent apiece.

Second example . . . photographic recordings. Auto-

matically made, they reduce to a minimum the cost of "reading" the fluctuations of gauges, instruments, production control equipment.

Third example... Transfax Process... inexpensive in another way, since, unlike any other process, it reproduces complex drawings, charts, layouts with photographic accuracy and completeness directly on metal, wood, or plastic in a matter of minutes.

These are only three of the ways in which photography can save you time and money. In our new booklet—"Functional Photography"—you'll find others. Write for your free copy.

Eastman Kodak Company, Rochester 4, N.Y.

ADVANCING BUSINESS AND INDUSTRIAL TECHNICS Functional Photography



opportunity to by far the greater part of the world.

The blossoming of Asia, The Near East and South America promises fruit that Dresser Industries has long cultivated.

For the industrial world turns on oil. Oil lubricates the wheels. Oil, with gas, its sister under the earth's skin, fires the cylinders. And many a Dresser member company is well established in this fertile world market. The overwhelming majority of hot oil pumps in the refineries of Iraq and Iran, for example, were made by Pacific Pumps. Gas for the reborn French and Russian industries will be pumped by Clark compressors. Roots-Connersville blowers are used in large numbers by fourteen Latin American countries in as varied industries as rice irrigation and oil

refining, tunnel ventilation and gas manufacturing. Ideco equipment is found in Turkey, Alaska, Russia, Arabia, Indonesia, North Africa, South America-and, in practically every active oil field in the world, may be found, also, Security rock bits and reamers.

Conditions in these wide-apart markets vary as much as the people—not just in business routine but in the physical requirements of each job. Dresser succeeded because Dresser engineering is custom-tailored. It is problem-solving rather than product-specifying. This ability to deal creatively with jobs all over the world is the type of thinking which makes any member of the Dresser family better able to satisfy your particular needs.



YO At ord-

vaca

shor con a re

inns

boo

tage

now

ties,

1940

origi

cat-a

\$32,

for a

\$59,

pora \$3,2

• G

pleas

that

This

cash

cate

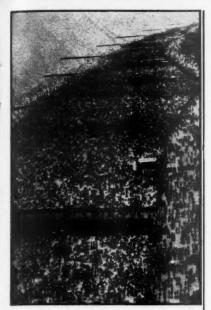
to b

the too sente presi insti So

to it

of \$

turn BUSI



#### YOU PAY FOR YOUR FUN

At New York's Coney Island a record-breaking July 4th crowd (above) of 1,300,000 serves to point up the vacation jam of 1946—a season for shortages and no immediate price controls. Hotels and inns rocket into a record summer with rates up 15% to 100% above prewar prices. Some inns, abandoned before the war, are booked full at \$50 a day for two; cottages once bringing \$500 a season are now \$1,500. And most everything else vacationwise is up accordingly.

ties, Inc., has also been a satisfactory one in recent years. Up to Apr. 30, 1946, it had liquidated over 50% of its original list of properties. Despite the cat-and-dog nature of many, close to \$32,000,000 had been realized in cash for assets with an original book value of \$59,566,000. Earnings during the corporation's eight-year life had totaled \$3,279,000.

• Good Reading—Providing even more pleasing reading to all concerned was that subsidiary's recent balance sheet. This disclosed well over \$10,000,000 in cash and government bonds and indicated that at least \$20,000,000 is likely to be split between the new bank and the old Union Trust depositors when the company ceases to exist in the not too distant future. Half of this is represented by the bank building, and it is presumed that this will be taken by the institution as its share of the split.

Some weeks back the bank proposed to its stockholders that the 35,300 shares of \$100-par stock long outstanding be turned into 353,000 shares of \$10-

Another packaging milestone · · ·

For over thirty years the Package Machinery Company has set the pace in pioneering improved packaging methods, and in developing faster, more flexible wrapping machines. For example, our engineers recently perfected the new Universal Model 4 – a machine which will wrap virtually any type of vegetable. Among the outstanding features of this versatile model is a self-measuring paper feed which makes possible the continuous wrapping of packages varying greatly in height... We are also producing machines designed to wrap many other products now distributed in bulk or wrapped by hand – towels, hosiery, sheets, underwear, etc.

Consult our nearest office for suggestions regarding any type of packaging problem. Your call may prove the key to greater profits through more attractive wrapping and more efficient production.

Now vegetables have been added to

Now vegetables have been added to the ever-increasing variety of products wrapped on "PACKAGE" machines.



TORONTO

PACKAGE MACHINERY COMPANY • Springfield 7, Massachusetts
NEW YORK CHICAGO CLEVELAND ATLANTA LOS ANGELES

PACKAGE MACHINERY COMPANY

Over a Quarter Billion Packages per day are wrapped on our Machines

# A Broad Base For Financial Service

For investors and industries alike, the 23 Paine, Webber, Jackson & Curtis offices constitute in themselves an unusually broad financial market within the national market. Covering the heart of industrial America and the areas of greatest investment activity, this network of offices forms the basis for an exceptionally efficient distribution of new issues . . . for one of the largest brokerage volumes in the country . . . for a well-established underwriting service.

Such an organization is an invaluable ally both to individuals and institutions seeking securities of investment value and to well-managed enterprises seeking refinancing or additions to capital.

# Paine, Webber, Jackson & Curtis

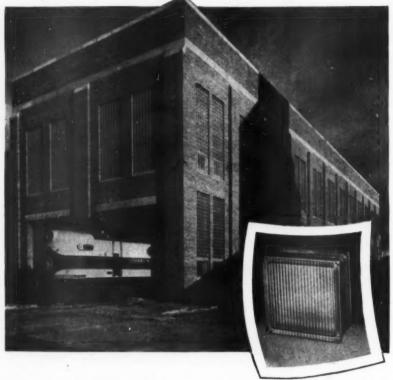
Members New York Stock Exchange and Other Principal Stock and Commodity Exchanges

NEW YORK BOSTON CHICAGO DETROIT CLEVELAND PHILADELPHIA MILWAUKEE MINNEAPOLIS AKRON CONCORD DULUTH ELMIRA GRAND RAPIDS HARTFORD LYNN PROVIDENCE SPRINGFIELD ST. PAUL WORCESTER.

BUSINESS WEEK . July 13, 1946

# The plus factor with PC GLASS BLOCKS

.. Economy:



M ANY plant managers decided to use PC Glass Block construction as the best available means of improving operating conditions. But they have since learned by experience that PC Glass Blocks also effect actual savings in operating costs.

Generous supplies of natural lightdirected into remote areas - increase working space and reduce lighting costs.

The dead air-space inside the PC Glass Blocks gives the panels sufficient insulating value to reduce heat losses, to decrease wear and tear on heating equipment, to effect savings in fuel costs.

In PC Glass Block construction there is no sash-to need repairs, replacement or frequent repainting. Cleaning is quick, easy. That means important savings in maintenance cost.

When you are ready to go ahead with new buildings or to remodel present plants, you can count on PC Glass Blocks for improved appearance, better working conditions, long, trouble-free service -and actual money savings. Write today for complete information on PC Glass Blocks to the Pittsburgh Corning Corp-oration, Room 339, 632 Duquesne Way, Pittsburgh 22, Pa.

· Also makers of PC Foamglas Insulation , · PITTSBURGH GLASS BLOCKS

stock, through a 10-for-1 split, in order to give the issue the benefits usually accruing from a broader market. This motion was readily approved, and since the split-up, the new shares have been actively trading within a \$51-\$55 range, compared with the \$515 price bid for the \$100 stock the day before the split was approved.

• Eagerly Waiting—Because of recent carnings, the bank's stockholders are now confidently looking forward to the July dividend meeting of the directors. They feel pretty certain that the dividend scheduled to be declared then on the new shares will exceed the equivalent disbursement on the old \$100 stock carlier this year, and many are going to be disappointed if the payment doesn't come to around 75¢ a share.

Cleveland's banking community credits much of the success of its newest bank to the part played by Oscar L. Cox. Cox, a Texas boyhood friend of Jesse Iones, served from the start as the conservator and liquidator of the old Union Trust. Despite the clamor raised by the closing of the latter, he won such esteem in his handling of its affairs that he was named to head the Union Bank of Commerce on its organization, serving as its president until ill health forced his resignation in April, 1944. Since then John K. Thompson, the Eric Railroad's former financial expert, has capably guided the institution.

#### NEW BILLION DOLLAR BANK

Pittsburgh should soon have its first billion dollar banking institution. This was disclosed in the announcement this week that directors of its Union Trust Co, and Mellon National Bank had approved plans for consolidating those two organizations. They will recommend that stockholders add their consent at special meetings to be held Sept. 16.

Resources of the two banks, which would be merged as the Mellon National Bank & Trust Co. total around \$1,174,000,000, according to their statements of June 30, 1946. Their capital, surplus, and undivided profits come

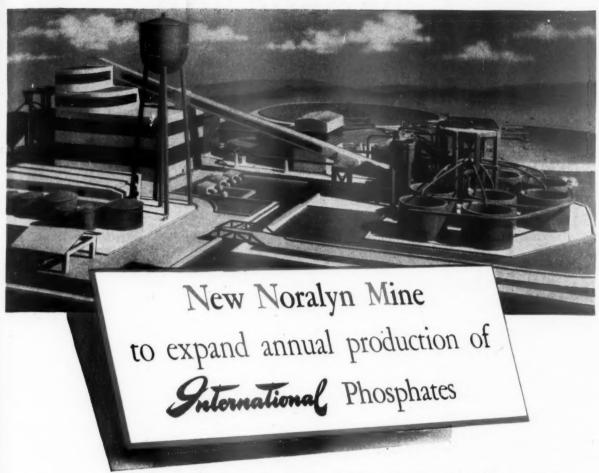
to over \$153,000,000.

Under the terms of the proposal; Union Trust stockholders would receive eight shares of the stock to be issued by the new institution for every share they now hold. Mellon stockholders would receive two shares of the new bank for each one of theirs.

Richard K. Mellon, Mellon National president, would be chairman of the combined banks' board of directors and directly responsible for all policies.

Frank R. Denton, president of the
Mellon Securities Co., to be merged with the First Boston Corp. (BW-Jun. 22'46,p47), would be vice-chairman and chief administrative officer.

BUSINESS WEEK . July 13, 1946





ALL COMMERCIAL GRADES

Florida Pebble Phosphate and Tennessee Phosphates To MEET FUTURE world-wide requirements for industrial and agricultural phosphates, International is building the largest and most modern Phosphate Rock Mine in America...the NORALYN MINE near Bartow, Florida.

In capacity, metallurgical innovations and quality of Phosphate Rock to be produced, the NORALYN MINE will be unique in the history of the industry. When it begins operation in 1947, the production of International's mines in Florida will be greatly expanded.

As the largest producer in America, International has pioneered for thirty-six years in the development of improved processes for mining and refining Phosphate Rock. With the completion of its present building program, International will be well prepared to supply a greatly increased tonnage of essential Phosphates for industry and agriculture, at home and abroad, in the years that lie ahead.

INTERNATIONAL MINERALS & CHEMICAL CORPORATION GENERAL OFFICES: 20 NORTH WACKER DRIVE, CHICAGO 6

International MINERALS CHEMICALS

MINERALS AND CHEMICALS

lly his ace en ge, for blit ent are he rs. vi-

edest est esc esc

on he

as :1its

or-

(

is

st

se

11-

ld

h

nd

C-

il, ne

ıl.

d

re

W

ne

d

n.



NOT WHEN PRODUCTION
IS UNDER THE
VISIBLE CONTROL
OF Productrol

sound decisions cannot be made without action-facts. With these facts, business progresses; without them it is handicapped. That's why over 7000 leading companies depend upon Productrol for up-to-the-minute information on order scheduling, machine loads, inventory, sales and other important functions.

Produc-Trol offers a visible mechanical method of control for every type of business—a control that instantly analyzes essential information. At a glance, it shows past, present and future operations—singly and combined. For maximum production at minimum cost, look into Produc-Trol.

WASSELL ORGANIZATION
WESTPORT, CONNECTICUT, DEPT. BW-7
Offices in Principal Cities • U.S. and Canada



Write today on your letterhead for book-let "A, B, C of Produc-Trol."

The process of achieving tangible results from work.





# **PRODUCTION**

## Titanium Uses

Applications for metal compounds are among many German technical advances reported by Commerce Dept.

Although Germany had only one titanium-producing plant (Titangesell-schaft), reports recently released through the Office of the Publication Board, Dept. of Commerce, indicate that numerous industrial applications were found for the material, especially in the electrical and machine tool fields.

Titanium compounds were used for coating welding rods and as a substitute for borax in the preparation of vitreous enamels. Other applications included dielectrics, cemented cutter tips, and the use of titanium tetrachloride as an artificial fog for screening the movements of troops.

• Vacuum Alloying—Information on German technical activities continues to pour from the Dept. of Commerce (BW—Mar. 30'46, p68; Sep. 22'45, p49). In addition to specific data on such metals as titanium, new metal-pouring techniques have recently been described, aluminum extraction methods analyzed, and flash-welding progress reported. nac

spec fori

mat

wer

atio

mit

me

• F

in (

one

wel

38

coll

and

joir

not

Un

able

per

cie

pla

ma

pro

effi

du

. 5

ma

lb.,

equ

and

pu

sm

Co

vel

oth

ba

de

be

hu

ter

BU

Vacuum melting and pouring of metallic alloys were found to prevent loss of beryllium, produce alloys of better hardenability, and improve alloy composition. This work was done at the Heraeus Vacuumschmelze at Hanau, which principally produced metals and alloys for thermocouples, heating units, and precision springs. Most of the alloys were poured inside vacuum induction electric furnaces, with 7 mm. of mercury vacuum. The furnaces were so constructed that the reduced pressure remained constant during melting and pouring. Casting was done in a water-cooled copper mold.

• Aluminum Process—A carbothermic process for extracting aluminum from clay was also investigated. In the German process, the alumina is reduced at high temperatures in a centrifugal furnace using carbon in the form of coal dust as the reducing agent. The molten bath is held against the sides of the furnace by centrifugal force, which protects the refractories from the intense heat of the oxygen-reinforced powdered coal flame.

The double-walled ends of the fur-

## Take a Letter, Please, Miss Soong

The business genius of the Chinese has developed despite handicaps in correspondence that would have baffled a less patient people. Instead of using an alphabet of 26 letters, a Chinese must decline an order for rice or accept a contract for medicinal tiger bones with ideographs whose numbers run into the thousands.

The need for typewriters to relieve the drudgery of forming the handpainted characters has long been recognized, but the complexities of the problem defied inventors. Now International Business Machines Corp. offers an electro-automatic Chinese typewriter which it claims is a practical answer. The IBM staff was aided in its research by Chung-Chin Kao, a Chinese engineer.

The machine contains a cylinder bearing 5,400 ideographs. It is controlled by a keyboard of 43 keys divided into four groups. Any character on the cylinder is brought into printing position and is activated



by striking one key in each group. Characters are arranged on the drum in three sections, according to the frequency of use, which speeds operation by grouping the 1,000 ideographs most frequently used. An experienced operator can write 45 words a minute (compared to the record of an English-alphabet machine of 149 words a minute). It requires about four months for an operator to reach maximum speed.

44

nace are water-cooled. A variable-speed drive brings the furnace slowly up to speed and can be set for optimum performance. American experiments in extracting alumina from clay and similar materials by a hydrochloric acid process were conducted by Anaconda in cooperation with the War Metallurgy Committee. These experiments are described in supplemental Dept. of Com-

d.

of

nt

t-V

10

nd

1e

lì. es

d

t-

m

Td

al

of

ie cs

ie

d

merce reports.
• Flash-Welding-Flash-welding production techniques were highly developed in German industry. It is reported that one machine used was capable of flashwelding steel in cross-sections of about 38 sq. in. Much information has been collected on the effect of temperatures and pressures on the strength of such joints, but the material on fatigue is not so complete or timely as some of United States information that is avail-

Other developments include a copper-contact rectifier having 98% effi-ciency. The rectifier was built by Siemens-Schuckert, Berlin, for electroplating, aluminum extraction, chlorine manufacture, and other electrolytic processes, and is said to be 10% more efficient than the mercury arc converter used here. Plans are being laid for production of the copper-contact rectifier in this country.

• Small Compressor-A captured German skid-mounted compressor has a capacity of 50 cu. ft. of air per minute at 90 lb. per sq. in. gate pressure. The unit, complete with engine, weighs 525 lb., or about 200 lb. less than American equipment of similar capacity.

A continuous butter-making machine, another piece of war booty, has an output of 1,500 lb. of butter per hr. It is smaller than similar American machines, and tests are under way to determine its relative efficiency.

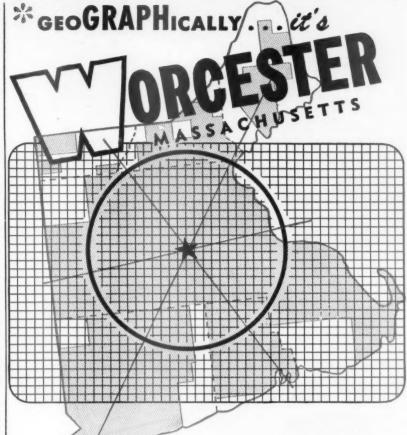
#### PHILCO-RCA DEAL

The first general licensing by Philco Corp. of manufacturing rights on patents covering 20 years research and development occurred last week when an agreement was reached with Radio Corp. of America covering more than 600 patents. Philco will issue licenses to other manufacturers on a nonexclusive

The manufacturing rights cover radio receiving devices, television, and FM developments. Thus RCA has the use of the Philco FM system (there has been no RCA agreement with Maj. Edwin Armstrong on his FM patents) and in addition such electronic devices as hum-suppressors, phonograph and antenna circuits.

Philco's 15-year agreement with RCA covering RCA receiving set patents, television, and facsimile will expire this

vear.



LES, it's a funny looking map, but New England looks like that in terms of purchasing dollars. Here is a five billion dollar retail market, and Worcester is its logical center. Within a 75 mile radius are nearly six and a half million consumers representing 76% of the New England market. This compact area encompasses three times as many consumers per square mile as the U. S. average.

Worcester's three major railroads, fifty motor truck lines and excellent air service enable you to profit from these advantages.

It's the ideal location for your branch plant or distribution center with stable, skilled and varied labor supply.



Write the Industrial Bureau, Worcester Chamber of Commerce, for additional information. A staff of Engineering Consultants is available to serve you.

WORCESTER . . . The Crossroads of New England!





A compact motor, particularly subable for computing machines and other types of motor-driven office



Light-weight universal motor with efficient spur gear speed reducer.



This motor is particularly well suited for industrial vacuum cleaners, agitators, sirens, colloid mills and similar applications.

Special application . . . high efficiency...exacting manufacture are the three advantages offered by Lamb Electric motors that are basically important in obtaining a high standard of product performance. It is because of these important advantages that Lamb Electric Motors are going into more and more of America's finest products.

THE LAMB ELECTRIC CO.

# Lamb Electric SPECIAL APPLICATION MOTORS FRACTIONAL HORSEPOWER MOTORS

# Wonder Tube

Bell Laboratories device using wide frequency band is expected to handle thousands of messages simultaneously.

A new electronic tube recently unveiled by Bell Telephone Laboratories is expected to have widespread application in long distance telephony and television.

Preliminary tests indicate that the tube is capable of transmitting and amplifying dozens of full-color or black-and-white television programs simultaneously. Theoretically, it could handle more than 10,000 simultaneous cross-country telephone conversations or over 100 million words a minute by telegraph.

• Steady Improvement—Progress over three decades has resulted in tubes and circuits capable of amplifying wider and wider bands of frequency. Early circuits handled band widths of about 10,000 cycles. Today's circuits handle widths up to about 20,000,000 cycles (20 megacycles). The new tube promises to amplify voice or television signals over a frequency band forty times as wide as that of the best tube now in use and with many times the present amplification.

It is reported that conservative figures for the new tube show a power gain of 10,000 times over an 800-megacycle band width. By comparison, the present pentode tube supplies a power gain of



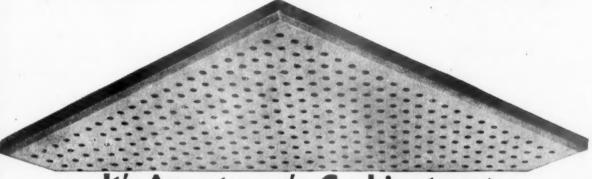
Capable of handling a multitude of television programs or telephone conversations simultaneously, Bell's new vacuum tube is inspected by Dr. J. R. Pierce who helped develop it.

BUSINESS WEEK . July 13, 1946

# You can't sh-h-h Noise Demons . . .



# But you can stop them with this ceiling



# It's Armstrong's Cushiontone\*

work when you must contend with noise demons. These pests are born in the hubbub of clattering machines, jangling bells, and shrill voices. They fray your nerves, distract attention, and cause errors.

You can trap noise demons permanently and economically by installing a ceiling of Armstrong's Cushiontone. The 484 deep holes in each 12" square of this fibrous material absorb up to 75% of all noise that strikes the ceiling. Cushiontone is also a good reflector of light and can

be repainted without loss of acoustical efficiency.

Free Booklet, "How to Exterminate Office Noise Demons," gives all the facts. Write for your copy

to Armstrong Cork Company, 3007 Stevens Street, Lancaster,

Lancaster, Penna. (A)

## THE PRODUCTION PATTERN

#### Bearing Standards

The trend in recent years, accelerated beyond a doubt by wartime production procedures, has been to more effective standardization of the numerous components used in engineering design. The American Standards Assn., and organizations such as the American Society of Mechanical Engineers and the Society of Automotive Engineers, have lent willing and able hands. As a matter of fact, more than 845 approved standards are listed by the A.S.A. (BW—Jun.29 '46,p65). Most of these are used widely by industry.

Like the little girl in the nursery rhyme, when a standard is good, it is very, very good (usually), but when it is bad, it is horrid—for both manufacturer and user. Hence standards must be developed with care. The mere fact that standards work for steel sheet, bars and tubing, motors and electrical parts, does not necessarily mean that they will be recovered.

successful with other components.

The U. S. Navy, troubled by procurement and replacement problems during the war, came up with a standard for antifriction bearings (BW-Nov.18'44,p70). A set of numerals and a code book are used to designate group, type, dimensions, design modifications, tolerances, and lubrication requirements (BW-Apr.20'46, p46). The Navy is pressing to have the standard quickly adopted on an industry-wide basis. Justifiably, manufacturers and users want careful study before recommending adoption.

#### Pro and Con

The advantages of antifriction bearing standardization are open to some debate. At the Navy-inspired A.S.A. meeting held on June 12 in New York, opinion was sharply divided, with the bearings manufacturers and the automotive industry showing somewhat less enthusiasm for the project than the machinetool and electrical industries.

Even granting that supply and replacement problems would ease with uniform numbering in certain cases, it can be argued that the Navy proposal does not reflect the five grades of machining accuracy set up for bearings. Bearings are often an integral part of the design of high-precision machinery, and the wrong type of replacement might bring repercussions on the machine manufacturer.

How much, then, would be gained by the adoption of the standard? For one thing, it may simplify the selection, application, and replacement of bearings for standard machines made in quantity. It would certainly ease abnormal situations such as those created by the recent wave of strikes, which brought home forcibly to many users the difficulties of ordering from alternate sources.

Such a standard should have no disturbing effect on markets, if effects of previously adopted standards may be taken as a criterion. If a special bearing is required for a machine, it is certain that the designer will set up his own proper specification, as is done today with special motors.

#### Proposed Approach

The accepted approach to adoption of a standard is to set up an industrywide impartial committee, including a representative group of manufacturers and users, under the sponsorship of a technical society. The June 12 meeting went on record as favoring (1) a unified system, (2) having such a system handled by a committee under A.S.A. procedure, and (3) naming the A.S.M.E. and the S.A.E. to handle the administrative leadership of the committee. The first two propositions were carried unanimously; the third was not.

Some fears were expressed that, on the basis of past performance, the third proposition would result in considerable delay in the adoption. But one hope is that on July 17, when the A.S.A.'s Mechanical Standards Committee meets to act on these decisions, it may decide to set up an autonomous committee under A.S.A. sponsorship to handle the project.

#### Final Decision Up to User

Whatever may happen, there is always a practical check. The merit of a standard is measured by its usefulness in contributing to design progress and manufacturing profit. Abnormal pressures, such as in wartime, may force the adoption of certain standards, but in normal times, the acceptance of a standard is measured by its practical utility. And if bearing standardization is impractical, industry will ignore it.

ten times over a 20-megacycle band. Engineers state that future development may bring further improvements in the Bell tube.

• New Principle—The tube is simple in construction. It is about 2 in. in diameter and 14 in. long. An entire amplifier unit, of which the tube is the core, occupies a space less than 2 ft. long and a few inches square.

The tube's operating principle is entirely different from that of previous amplifiers. A long coil of thin wire runs from one end of the stem to the other. The wave to be amplified is fed into the coil at the bulb end. It travels along the coil at the speed of light; but because of the helical winding, it moves the length of the tube at only a thirteenth of this speed.

• Booster—At the bulb end, an electronic gun shoots a beam of electrons through the inside of the coil in the same direction as the wave is moving. The speeds are not exactly matched, the electrons on the average going faster than the wave. In tending to slow down, they give up some of their energy to the wave, which thus gains a tremendous amount of energy and is amplified many times.

The action in the tube can be likened to that of wind blowing across a rippling pond, with the ripples representing the wave and the wind the stream of electrons. The wind imparts energy to the ripples, causing them to grow

#### ELECTROPLATED BEARING

An electroplated engine bearing which has been under development at the Cleveland Graphite Bronze Co. for several years, and which is expected to play an important part in postwar automotive business, is now in production.

motive business, is now in production. Designated as Clevite 77, it is intended primarily for heavy-duty applications in gasoline and diesel engines for trucks, buses, and tractors. It consists of a steel back, an intermediate layer of a special copper-lead alloy, and a thin surface layer of a soft bearing alloy, following the construction of many aircraft engine bearings.

Performance of Clevite 77 in tests and actual service, the company stated, indicates a wide acceptance of this type of bearing for internal combustion power plants. Several truck and engine manufacturers are now using it in regular producers of motor cars has specified it for use in 1947 passenger models.

for use in 1947 passenger models.

The thin surface layer of the bearing is a soft alloy of three metals which are co-deposited by high-precision automatic electroplating equipment. The plated layer, about 0.001 in. thick, gives a bearing surface of high load-carrying capacity and good fatigue life.

XUM

ar G tn dr

th ne ca sp

pr cc bi or w



#### PLASTICS VOCAL CORDS FOR OUR FLEET

• When her big guns spoke, a warship's loud-speaker system didn't. Gun blast was too much for the loud-speaker diaphragms. They failed when needed most for battle commands.

This naval problem was brought to No. 1 Plastics Avenue and was solved by General Electric's complete plastics service. General Electric engineers developed a special phenolictreated cloth that can be molded as thin as 0.003 in., and drawn to domed contours of acoustical precision.

These plastics diaphragms can take it . . . kept on speaking through many a sea battle. And these

new tough, but sensitive, diaphragms can keep many a peacetime loud speaker on the job, too.

Cloth-based plastics now can be precision-molded in many forms to combine thinness, strength, and flexibility. If you need such a component, or any other plastics part, see the world's largest manufacturer of finished plastics parts, General Electric Co., 1 Plastics Avenue, Pittsfield, Mass. We shall be glad to send you upon request a copy of the new illustrated booklet, "What Are Plastics?"

#### G-E Complete Service—Everything in Plastics

Backed by 52 years of experience. We've been designing and manufacturing plastics products ever since 1894. G-E Research works continually to develop new materials, new processes, new applications.

No. I Plastics Avenue—complete plastics service—engineering, design and mold-making. Our own industrial designers and engineers, working together, create plastics parts that are both scientifically sound and good-looking. Our own toolrooms are manned by skilled craftsmen-average precision mold experience, 12 years.

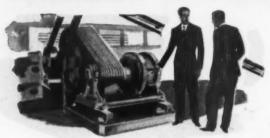
All types of plastics. Facilities for compression, injection, transfer and cold molding .. for both high and low pressure laminating . . . for fabricating. And G-E Quality Control-a byword in industry-means as many as 160 inspections and analyses for a single plastic part.





General Electric Plastics factories are located in Fort Wayne, Ind., Meriden, Conn., Scranton, Pa., Taunton, West Lynn, and Pittsfield, Mass.

# RAY reveal power secret of famous worker



ployed to build super-performance into one of the most efficient new industrial tools to come out of the war. It began when military engineers demanded an ultra-compact V-belt drive that would handle maximum loads—for use in airplanes, tanks and other front-line equipment in which space is scarce and infallibility a "must."

These specifications gave the G.T.M. —Goodyear Technical Man—a chance to prove a revolutionary idea he already had in the development stage. Why not build a belt sinewed with steel cables possessing indefatigable strength, then notch it with deep vents to give extreme flexibility? But use of steel imposed a difficult construction problem—and that's where science entered the picture.

You see, steel is virtually stretchless. So every cable had to be identical in length, otherwise one or two would carry the entire load, reducing belt efficiency. The problem was to produce belts with every load-carrier uniform in length and tension — to eliminate any possibility of a single cable being slack, wavy or out-of-plane.

The G.T.M. found the answer in X ray. First he built the belts in individual molds that held the cables in position during cure. Then as each belt comes from the mold its "insides" are inspected under the all-seeing ray to make sure that every cable has remained in perfect alignment during cure.

The result is history. More than 3,000,000 of these X-ray-tested Goodyear V-belts were specified exclusively on heaviest duty wartime drives. Again and again they proved their ability to carry greater horse-power loads than conventional belts — to operate on smaller pulleys in smaller space — to last far longer with practically no maintenance!

Today this war-proved worker, known as the Goodyear COMPASS-V-STEEL belt, is available to industry. It is the only full-molded belt that combines the super-strength of steel with ventilated (notched) construction that dissipates heat of flexion, and insures flat-belt flexibility with unequaled load capacity — at all speeds from 10 to 10,000 feet per minute. To consult the G.T.M., write: Goodyear, Akron 16, Ohio or Los Angeles 54, Calif.

GOODFYEAR

THE GREATEST NAME IN RUBBER







The Baldwin Locomotive Works, Philadelphia 42, Pa., U. S. A. Locomotive & Southwark Division; Cramp Brass & Iron Foundries Division; Standard Steel Works Division; The Whitcomb Locomotive Co.; The Pelton Water Wheel Co.; Baldwin Locomotive Works of Canada, Ltd.; The Midvale Co.

cc

latt platin coa hoo tio platen mo po in sim all the is mo eit con tree sec the

At No "m or bas tra pro sim white feet the it

BU

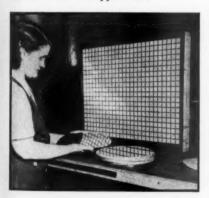
# New Vinyl Fields

Plastisols, which may be applied easily in most textile converting plants, point way to variety of plastic uses.

Plastisols—which are powdered resins suspended in a plasticizer—may stimulate still further potential uses in the plastics field for the vinyl compounds. The vinyls already are widely familiar in wire and cable insulations, in fabric coatings and shower curtains, and in a host of consumer and industrial applications (BW–Apr.27'46,p20).

Little has been said publicly about plastisols. However, Socony-Vacuum engineers, in discussing the development of a new plasticizer, Sovaloid C, point out that plastisols can be applied in almost any film thickness on the simplest coating equipment in almost all textile converting plants. Their fluidity permits use of either roller or knife coating methods.

• Little Pressure—Another advantage of their fluidity is that little or no pressure is required when plastisols are to be molded to shape. The fluid mixture in either the molded or the coated form is converted to a finished resin by heat-treatment at 300-350 F in a matter of seconds, depending on thickness and on the means of heat application.



#### FOR A STRAIGHT RECORD

At the plant of Audio Devices, Inc., New York, an inspector utilizes a "mirrorgraph" (above) to spot dimples or uneven surfaces in recording disk bases for master recordings and radio transcription. William C. Speed, president of Audio, hit upon this simple device—a ruled board—by which the bases mirror their own defects. When the surface is uneven, the lines are wavy (left); when perfect, it reflects straight lines (right).

BUSINESS WEEK . July 13, 1946

Previously most of the vinyl coated articles were produced on or in roll mills, calenders, and hydraulic presses. Coated fabrics are made by milling the liquid plasticizer and other ingredients into the powdered resin on a roll mill. The rough plasticized sheet is then pressed to uniform thickness on a calender, and the thin sheet then laminated to the fabric under heat and pressure by laminating rolls. Another way is to dissolve the plastic in a solvent, apply the viscous solution to a fabric, then drive off the solvent with an extensive drying system.

• Easier Control—The plastisol method has these advantages over the former methods, according to Socony's Dr. R. B. Killingsworth: (1) Expensive equipment is not needed; (2) expensive and inflammable solvents and solvent recovery systems are not used; (3) control of finished dimensions is easier since the percentage of solids is 100% because all ingredients are components of the final film or casting; (4) conversion from fluid to solid state can be done continuously at high speeds.

#### WELDED BOILER

After nine years of experimental operation on the Delaware & Hudson R. R., welded locomotive boilers are now in production for the first time in United States railroad equipment history at the American Locomotive Co. plant in Schenectady, N. Y.

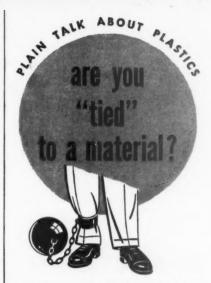
New manufacturing facilities permit American to build any size of welded locomotive boiler as well as locomotives complete with welded boiler equipment.

Advantages claimed for the new boiler include elimination of seepage between boiler plates and of boiler leaks caused by caustic embrittlement. This removes the possibility of cracked sheets, a major maintenance problem. Depending upon the type and size of the locomotive, weight saving may run from 3,000 lb. to 6,000 lb.

P.S

More than \$500,000 is budgeted for research expenditure this year by Bituminous Coal Research, Inc., now making an all-out effort to extend applications for bituminous coal. This expenditure compares with the \$13,000,-a-year average for 1933 through 1940. Projects under way are the coal-fired gas turbine (BW—Mar.9'46,p63), smoke elimination on locomotives, residential group heating, improved ash-handling, and new uses, such as tobacco-curing, for stokers.

It is reported that 7,000 patent applications for chemical developments have been found in I. G. Farben files by U. S. investigators in Germany.



If you are, perhaps it's time you looked around again. You may be missing something!

Are you fully aware, for example, of all the new sales values, the added beauties and utility that Lustron, properly applied, might bring to your product?...

Do you know that Lustron is far lighter in weight than any practical alternative... much lighter than the "light" metals?

Do you know that colors are practically unlimited in Lustron?

Are you aware of these special physical attributes: (1) unlike most materials Lustron gains rather than loses strength as temperatures fall, (2) it's dimensionally stable...Lustron fits, it keeps its fit, (3) acids, alkalies, water, don't harm fit, (4) it offers excellent electrical characteristics.

And if you still think Lustron costs too much, better check again...ii's only one-third of what it was just a few years ago. And remember how much more you get per pound in Lustron!

There's no law that ties you permanently to any material. However, there is a law... the law of competition... that forces every manufacturer to keep up-to-date. Let us help keep you up to date by furnishing you the latest information on Lustron and other Monsanto Plastics...via regular mailings. Send your name to: MONSANTO CHEMICAL COMPANY, Plastics Division, Springfield 2. Massachusetts.

Lustron: Reg. U. S. Pat. Off.





# HEADGEAR HEADAC

by today's standards

Yards and yards of material of the finest sheerest silk-carefully, al-

most religiously wrapped-provide the trim, tight-fitting turban

Its claim to fame is that it is

unique, distinctive. It certainly is

not practical or serviceable nor in

keeping with the quick tempo of

the times. Likewise, many fine

products are also packaged in out-

of-date containers that are costly

Bring your packing problems

Learn how you too can cut costs,

conserve man-hours and speed production. It's a story of vital

interest to you. Write today.

to us. Our engineers will be glad

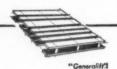
to help you design a modern container that really protects your product, that is actually a "part

and laboriously assembled.

of the celebrated Sikhs.

#### NEW "GENERALIFT" PALLETS

Millions of pallets were used by the armed forces. They saved from 50% to 90% in materials handling. We are now in full production of pallets for all industry. Our engineers will design a pallet best. suited to your specific needs. Write today for Pallet Book.











of the product."







#### Electronic Micrometer

Designed for measuring thickness of any material, hard or soft, conducting or nonconducting, the Model M Carson micrometer, manufactured by Carson Micrometer Corp., 28 Edison Place, Newark 2, N. J., can be used on fine wire, strip, paper, rubber, plastic, tex-tiles, and paint films. Accuracy is

**NEW PRODUCTS** 



claimed to be independent of operator skill (BW-Aug.16'41,p62) with measurements as close as 0.00025.

The device, which is portable, utilizes a conventional screw of high lead accuracy, and a special electronic circuit which indicates the precise instant of contact between the screw and the work. The circuit lights an indicator lamp on the precise dial setting before any pressure is exerted on the work, and is sufficiently sensitive to give positive "on-off" indication with only 0.00005 displacement at the contact point. No current is interrupted at the contacts. The lower anvil can be removed for substitution of special work supports.

#### Midget Selenium Rectifier

The small-size selenium rectifier developed by the Federal Telephone & Radio Corp., Newark, N. J., can replace as many as 29 different rectifiertype tubes now used in various radio receivers, it is asserted. By installing the rectifier in pairs as voltage doublers with condenser values up to 40 mf., the use of a transformer, rectifier tubes, and sockets is eliminated. Known as type 403D-2625, the rectifier consists of five square selenium plates on aluminum base plates, connected in series, with center contact. It measures 11 in. by 11 in. by 11/16 in. According to the manufacturer, only two soldering operations are necessary, a minimum of mounting hardware is needed, and installation is made quickly with assem-

#### ENGINEERED SHIPPING CONTAINERS

#### General BOX COMPANY

GENERAL OFFICES: 502 N. Dearborn St., Chicago 10, III. DISTRICT OFFICES AND PLANTS: Brooklyn, Cincinnati, Detroit, East St. Louis, Konses City, Louisville, Milwe New Orleans, Sheboygan, Winchendon.

Continental Box Company, Inc.s Houston, Dallas.

# TERNATIONAL CRAWLER TRACTORS

# Excavate for Houses by the Block

AMERICA'S BUILDERS know their business.

They know how to build the best housing in the world-and quick! They are past masters in the use of modern methods and equipment to speed their work.

When they get the materials and tools they need, their unequaled skill, ingenuity and resourcefulness will quickly provide the housing facilities the American people require.

Typical of practices that speed this modern construction is the use of International Diesel Crawler Tractors for excavating. Equipped with bulldozer blades, these powerful tractors take on whole city squares and excavate for houses by the block! They shave off the fertile topsoil and move it aside for later use. They dig out the stubborn subsoil and hardpan. When the foundations of the buildings are set, these master machines backfill with excavated material. Finally, they spread the topsoil back on the surface and landscape the yards for lawns and gardens.

Presto! Houses in the modern manner!

Yes, hats off to the Builders of America... and to the operators of International Diesel Crawlers who prepare the way. It's a winning combination . . . an all-American team that will soon have houses built ... houses by the block!

**Industrial Power Division** 

INTERNATIONAL HARVESTER COMPANY

180 North Michigan Avenue

Chicago 1, Illinois

Good Listening: "Harvest of Stars" every Sunday, 2:30 p.m. Eastern Daylight Time. NBC Network



of m m

ne

it of e

0





# Osborn Brushes help keep America's Airliners soaring safely in the skies!

CLEAN spark plugs are important anywhere, but they're an absolute "must" in the skies. Airline operators insist on a periodic and very thorough cleaning; one air transport company alone cleans out 75,000 plugs every week, reports "after trying various solutions and methods, the following procedure was found to be not only the best but also the most efficient".

The procedure referred to was to use an Osborn Situft on the head (shown before and after cleaning in group A) and an Osborn End Brush on the barrel well (shown before and after in group B). "The work is fast and does not affect the continued engine service of the plugs."

Not only the aircraft industry but all industries and virtually all products have areas which should be surface finished to get peak performance from the part, and maximum sales appeal for the products.

An Osborn engineer will bring you up-to-date on the latest Osborn-developed brushing techniques and show you how they can be applied to your business—to get a better-performing, better-looking, better-selling product: Just ask us to have him call, without obligation to you, of course.

New Booklet available! When and where to use power brushes and how to select them. Write for your copy today.

THE USBORN MANUFACTURING COMPANY
5401 Hamilton Avenue
Cleveland, Obio



WORLD'S LARGEST MANUFACTURER OF BRUSHES FOR INDUSTRY

bly work substantially reduced. The unit has a rated current carrying capacity of 100 milliamps d.c. and a peak inverse voltage of 330 volts. cam

Ten

The

Co.

hole

ang

ini cai bla

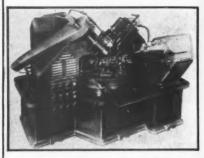
hl:

m

Ra

#### Special-Purpose Machine

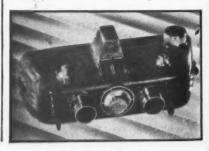
In the four-stage machine designed by Hydraulic Machinery, Inc., 12825 Ford Road, Dearborn, Mich., for the drilling, spot-facing, counterboring, and tapping of the vacuum holes in intake manifolds, the cycle is entirely automatic except for loading and unloading. In operation, the part is manually loaded and clamped in position, and the safety door closed. This closes an electric circuit, and the machine automatically indexes to position, all heads moving forward and completing the cycle of drilling, spot-facing, counterboring, and tapping. During cycling time of the heads, another part can be



loaded. Production rate claimed for the machine is 120 manifolds per hour. The machine is hydraulically operated and electrically controlled. Safety features prevent indexing until the part is properly clamped in position. All hydraulic power and control valves are mounted in the base which is fitted with access doors for servicing.

#### Twin-Lensed Camera

Sold with a companion viewer, the Haneel tri-vision camera offers the photo enthusiast a modern counterpart of the stereoscope and stereoscope camera. Either black-and-white or color pictures taken by the camera fit into a slot in the viewer where they are illumined by battery-operated lights. For taking single pictures, one of the lenses can be stopped off with a black Tenite button. The housings of both



BUSINESS WEEK . July 13, 1946

camera and viewer are variegated walnut Tenite. Internal molded parts are black. The plastic parts are molded by Plastic & Rubber Products Co. for the Hancel Co. Both are Los Angeles firms.

#### Carton Opener

The

ca-

eak

ned

825

the

ind

ake itoing. illy ind an itoads the tering be

for

ed ea-

art All

ire

ed

ne

ne

rt

pe

or

a

re

k

h

A simple device made of cold-rolled steel, formed to shape and nickel plated, holds a safety razor blade at the correct angle for clean-cut opening of cartons



and paper containers. The blade is positioned between the wing guides so that inner sealing bags are not cut as the carton is slit. As a safety measure, the blade can be retracted when not in use. The device, called the Speedway Opener, is designed to use Speedway blades. Both blades and opener are manufactured by International Safety Razor Co., Bloomfield, N. J.

#### THINGS TO COME

A new petroleum byproduct available in the form of spherical beads of uniform size and shape, can be used as a desiccant and will adsorb up to 40% moisture. When completely saturated, it can be regenerated by heating to 300 F. Potential applications will be in industrial packaging, in air-conditioning systems, in warehouses, holds of ships. Presumably the material could be used to protect tools and fishing tackle, in sealed-off shotgun barrels, and even to prevent salt from caking.

• Fading of acetate rayon dress materials is generally caused by city fumes, but a new chemical recently developed will put an end to that. The chemical, which insures faster colors, is added at the mill when the fabric is being dyed. The fabric absorbs the chemical and is thus protected against gas fading, even after repeated washings and dry cleanings.



As one after another of America's scenic wonders flash past the windows of your comfortable motor coach, the chances are that you are enjoying a vacation powered by Red Seal engines. Continental is currently producing several series of gasoline and Diesel engines, which provide a complete range of power for highway coaches, for interurban and city buses, and also for school buses.

Coach manufacturers and operators have turned to Continental power for the reliability, economy, and stamina needed for 365-day-a-year operating efficiency.

Soon, many of these coaches will be air conditioned for your greater comfort, and the conditioning unit itself will be powered by Continental. Today it is more true than ever before, that wherever there's work to be done — for industry, aviation and on the farm, as well as for transportation, Continental Red Seal Engines are on the job.

## <u>Continental Motors Corporation</u>

MUSKEGON, MICHIGAN

44 YEARS' SPECIALIZED EXPERIENCE BUILDING ENGINES
FOR TRANSPORTATION, INDUSTRY, AVIATION AND THE FARM



## Both profit-makers!

Give a man a 'Budgit' Electric Hoist to do the lifting and he produces much more at lower cost. Free from fear of rupture, strain and over-fatigue, he is happier on the job. A contented man produces more than a half-sick, disgruntled worker.

With 'Budgit' Electric Hoists, there are no installation costs. You simply hang them up, plug into the nearest socket, and use. The amount of current used is so small it may be ignored. This is true of upkeep.

Modern design and superior mechanical construction and antifriction bearings enable the 'Budgit' to lift quickly and easily. It is a safe hoist to use.

Many thousands of installations in hundreds of industries have proved the money-saving and efficient qualities of 'Budgit' Hoists.

To offset rising costs, check your entire plant now for places where 'Budgit' Hoists would increase your production and lower costs.



'Budgit' Portable Electric Hoists are built to lift 250, 500, 1000, 2000 and 4000 lbs. Prices start at \$119. Write for Bulletin No. 371.



'BUDGIT'

MANNING, MAXWÉLL & MOORE, INC. MUSKEGON, MICHIGAN

Builders of 'Shaw-Box' Cranes, 'Budgit' and 'Load Lifter' Hoists and other lifting specialities. Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' Industrial Instruments.

# MARKETING

## **Furniture Race**

Buyers swarm to Chicago seeking scarce merchandise, get pleasant surprise in promises of 60-day deliveries.

Undaunted by confusion over prices, swarms of retail furniture buyers poured into Chicago this week for the semi-annual summet furniture market. By the end of the two-week show, attendance is expected to top last January's record-breaking 24,109.

As the market opened, the uncertain fate of OPA, plus signs that many shortages would ease over the next six months, brought from retail leaders warnings against frantic overbuying and a repetition of 1920's boom-and-bust. Dealers were keeping their fingers crossed for fear of a buyer's strike, and manufacturers were beginning to hint that by the year's end a buyer's market would be developing.

• To Double 1941?—Among reports of various shortages one indisputable fact stood out. In spite of strikes, lumber, and labor troubles, retail furniture sales for the first five months of 1946 are running more than 50% ahead of the same

period in 1945, according to Federal Reserve statistics. April and May sales were 60% higher than in the same months of 1945. No manufacturing totals are available yet, but industry leaders estimate first-quarter output as the biggest in the industry's history.

m

te

di

m

ch

th

th

TI

liv

CE

ise

sidi

ne

B

in

81

Conservative opinion puts 1946 dollar volume at least equal to 1941, the biggest peacetime year; optimists expect that the industry may double 1941's output. An unofficial guess is that retail sales of furniture, bedding, and home furnishings could reach \$3,500,000,000. • Demand Remains High-Southern manufacturers, in prewar years produc-ers of about one-third in dollar volume of the industry's total, and over half the case goods (dining room and bedroom furniture, etc.), report production already 15% to 20% higher than last year in spite of a continued shortage of skilled labor. They predict a 1946 volume of \$266 million, more than double their 1939 output. OPA price increases last January on cheaper lines helped increase their volume, and ability to raise prices still further is expected to bring back more low-end production. Part of the increased southern output comes from new small companies which have sprung up within the last year. North Carolina alone reports 150 new furniture makers, and many





#### THEME SONG: SOUTH OF THE BORDER

New York's Pennsylvania Station, where the parade of humanity is endless, adds a new one—a train floor fiesta—to its roster of events. Purpose: to focus attention on the inauguration of through passenger service between Gotham and Mexico City. The Pennsylvania R. R. is scheduling one sleeping car daily through Texas—as is the New York Central. A marimba band and a bevy of senoritas brought rhythm and color to the two-hour fiesta; representatives of Mexico, Texas, New York City, and participating railroads lent oral support; a record crowd of returning holiday travelers provided an ample audience.

more are expected to expand the southern industry further.

Higher prices and fewer low-priced lines account for part of this year's big sales, but the industry agrees that the furniture shortages are chiefly in terms of demand. Retail dealers predict that if the government housing program even approximates its goal, manufacturers will have to double the number of pieces they turn out to supply the demand.

ral

les

ne

toidhe

ol-

he

ect l's

ail

ne 10.

rn

IC-

ne

alf d-

on ist

ge 16

an

ce

es

il-

X-

n-

m ahe

ts

ny

More New Lines-On the opening day of the Chicago show, the Furniture Mart had 950 exhibitors; the Merchandise Mart had 2,500 firms showing mer-

chandise. Most manufacturers are sticking to their tried-and-true best sellers, but important manufacturers are showing more new lines than at any market since the war began. Quota allocations to established dealers are still the general rule, especially on case goods, but some firms are accepting new accounts. Deliveries in recent years have been running as much as six months behind receipt of order, but at the show retailers have been getting the astounding promise of 60-day delivery from a few manufacturers.

Greatest improvement in supply is in juvenile furniture, upholstered and novelty furniture, lamps, mirrors, and occasional tables. Biggest shortages are in dining room and bedroom furniture. · Bedding Still Short-One reason for the shortage is that, in normal times, case goods give a slow rate of turnover on factory as well as retail stocks. Hence many a case-goods manufacturer has

ing items, such as radio cabinets. January's hopes for a \$200 million output of bedding this year have faded. Bedding manufacturers, still plagued by scarcities of ticking and fine wire, report production still running below the 1941 rate. The industry is making more sofa beds than innerspring mattresses, because sofa beds use heavier wire,

which is more plentiful.

There are more radios than in January, and more complete and eye-catching appliance displays prevail. But more important to retail dealers, delivery promises that are more than pious hopes are being offered.

#### ANOTHER MACY UNIT

In the expansion plans that R. H. Macy's high command has formulated, Davison-Paxon (Atlanta affiliate of the Macy department store chain) has been assigned a 200-mi. radius for maneuver-Twice Davison-Paxon has made purchases within that imaginary circleonce in Macon, once in Augusta. Last week the parent store reached to the outer rim of its area and bought Cul-



Do you want a broadside that will hit the target? Or something especially attractive about the looks of your folders, brochures, and direct-mail advertising? Specify one of the famous Text or Cover Papers by Hamilton. Any one of these fine brands . . . Andorra, Hamilton, Victorian, Weycroft, Kilmory . . . will give you results to catch the eye and arouse the interest of the reader. These papers are designed for effective selling. They're essentially good papers for good advertising. W. C. Hamilton & Sons, Miquon, Pa.

## HAMILTON PAPERS



BUSINESS WEEK . July 13, 1946

S,

15

11

lv

of

of

t;

e.

46



FOR ALL TYPES OF BALL AND ROLLER BEARINGS 4 INCH BORE TO 120 INCH OUTSIDE DIAMETER



THIS double head grinder permitted production of super precision accuracy in Naval gun mounts. It was designed to produce work of an angular accuracy of less than one-half-thousandth (.0005") in 72", in flatness, squareness, concentricity, roundness and taper, and permitted interchangeability of gun mount parts which formerly were tediously hand scraped. Parts were produced in regular production to an accuracy of .0002".

We believe this to be the world's largest, super precision industrial grinder, 26 of which were manufactured.

In heavy oil field machinery, ponderous steel-mill equipment, complicated paper-mill units . . . in rugged road-building machines, excavators, hoists, crushers... powerful bending machines, production units, and other industrial equipment... KAYDON bearings are improving performance and lengthening service-life. Look to KAYDON, Standard or Special, for the better bearing service your equipment deserves.

Counsel in confidence with KAYDON. Capacity now available for all sizes and types of KAYDON bearings... and for atmospheric controlled heat treating, precision heat treating, salt-bath and sub-zero conditioning and treatment, microscopy, physical testing and metallurgical laboratory services.

KAYDON Types of Standard or Special Bearings:



lum's department store in Columbia, S. C.

Growth of the Macy chain is envisioned as consisting of two related phases. In major metropolitan areas, the main store will hatch "chicks" in suburban locations. Thus Macy's in Manhattan already has an offspring in Parkchester, with plans for more chicks in Jamaica, White Plains, and Brooklyn. Presumably the new affiliate in San Francisco, O'Connor, Moffat, is also destined to hatch a brood.

But in secondary population centers, suburban stores are not deemed worthwhile. Here the affiliates will acquire stores in cities that are included in the big, broad trading area (BW-Mar.23 '46,p80). This is where Davison-Paxon fits in, as also Lasalle & Koch (Toledo), which has moved into Bowling Green and Tiffin, Ohio, and owns building sites in Findlay and Sandusky.

## Musical Shopping

Patrons of grocery chain listen to commercial also in Hartford test. Two West Coast areas have similar systems.

In Hartford, Conn., housewives can now shop to music—but there's a catch in it: 30-second commercials at 4-minute intervals that, typically, may begin with a child's voice pleading, "Hey, Mom, please buy some of that swell Old Hundred ice cream in the refrigerator at the rear of the store..." There is a ten-minute period of silence every hour—not sponsored.

• Store Gets Free Plugs—Storecast Corp. of America began a 13-week test on June 17 in 15 supermarkets and one service-type store of First National Stores, Inc., with recorded music and commercials piped over Musak Corp. facilities.

Advertisers pay \$2.50 per store weekly for 32 commercials a week. This entitles them to point-of-sale displays-chiefly narrow cards attached to price tag slots on the edges of shelves, identifying advertised products as part of "The Storecast Line." The chain receives no share of the advertising income, but gets free plugs for its own brands and has the use of the system for interstore communication before and after store hours. • Two Others Operating-Storecast's carlier attempt to provide the same service died aborning when the war made leased telephone wires unavailable (BW -Jul.26'41,p39). But at least two other similar systems are now in operation. In San Francisco the Suggestone System is operated by E. T. Mape Music Co. in 50 independent supermarkets and small chain grocery stores (BW-Jun.

BUSINESS WEEK . July 13, 1946

ia, en-ed as, in in in eks

the ire he 23 on o), en

in in in

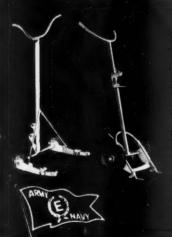
an at ay ig, at he ."

46





## THE "EASY DOES IT" TEAM



Put your barrels and drums on their feet with the "Up-Ender" and on their way with the Universal Drum Truck.

This team can trim hours from your materials-handling schedules and speed your product to today's impatient buying public.

Whenever you need handling equipment of any kind for any purpose call on Colson.



\*The "Up-Ender"—Patent Applied For

THE COLSON CORPORATION

ELYRIA, OHIO

CASTERS . INDUSTRIAL TRUCKS AND PLATFORMS . LIFT JACK SYSTEMS . BICYCLES . CHILDREN'S VEHICLES WHEEL CHAIRS . WHEEL STRETCHERS . INHALATORS . TRAY TRUCKS . DISH TRUCKS . INSTRUMENT TABLES



Micarta is a tough, workable material with qualities which bear little resemblance to old conceptions about "plastics". Micarta is an industrial laminate—geared to today's requirements. It's used in hundreds of applications . . . such as auto timing gears, marine bearings, refrigerator inner door panels . . . to name a few.

Design engineers have unlimited possibilities in Micarta. Here are some of its qualities:

HEAT-RESISTANT—unaffected by temperature changes from 250° to -112° F.

STRONG AND LIGHTWEIGHT—Strength of aluminum at half the weight.

MOISTURE AND A CID-RESISTANT—withstands water submersion or mild acid or alkali solutions.

WORKABLE—can be drilled, tapped, milled, die punched, sawed.

Production manufacturers can obtain Micarta molded, formed or completely fabricated in mass production quantities. Call your Westinghouse office for a Micarta Specialist. Or write Westinghouse Electric Corporation, P. O. Box 868, Pittsburgh 30, Pa.

J-06396



00

ed.

ta

se se a.

2's los

ca for \$1 N ot m sight the in les be care be care al

re in th it:

bi sh vi in uc sa p ti se

2'45,p88). Most of its advertisers are local firms that pay about \$250 a month for four spot announcements a day.

In Los Angeles, National Marketcasting Co. serves 500 of the area's 3,000 food markets. Rates to advertisers are \$1 a month per store per commercial. National claims it has several hundred other prospects, most of them supermarket units of chains which will not sign up until National can equip all their stores. The company is considering eventual use of FM radio instead of leased telephone wires.

 Hard to Sell—These West Coast firms report that customers like the service but that right now advertisers and agencies are hard to sell. National says its best friends are regional distributors of national products, who can actually check on sales increases due to Nation-

al's service.

Whether Storecast expands into the rest of the First National chain, and into chains in other areas, depends on the results of the Hartford test. Half its advertisers are regional, half national firms.

Care was taken not to advertise products of which the chain has competitive brands, such as coffee, or which are in short supply, since this would not provide an accurate test of Storecast's pulling power. Sales of the advertised products in test stores will be checked against sales in the same stores in a pretest period and in comparable First National units not equipped with the new service.



When customers unwittingly interrupt an electric eye beam in Devoe & Reynolds New York retail store, they activate an "electronic salesman"—a record which proclaims, "Devoe Marble Floor Varnish has everything . . . ask us to demonstrate." Devoe plans similar installations in other cities.

### Via New Channel

Drug items to be among those handled by the magazine distributors under a sales plan worked out by Christianson.

Wholesalers in the tire industry sell refrigerators; in the liquor trade they stock packaged foods. Grocery middlemen handle housewares and light bulbs; drug supply houses carry watches, mechanical pencils, bathing accessories.

Now the magazine distributors are getting on the diversification band wagon, too. This month they are putting out a feeler into the drugs-cosmetics business with a 39¢ "Sno-Mist" deodorant powder manufactured by Phil-

lips & Benjamin.

• Christianson's Idea—Inspiration for this move comes not from the magazine fraternity, but from the merchandising firm of David A. Christianson Associates, which is acting on behalf of Phillips & Benjamin. An old hand at novel marketing twists, Christianson previously fathered a "Point of Sale" plan to sell display space in grocers' windows (BW—Jul.17'37,p22) and an "Audit Bureau of Sales" to check the retail movement of drug items (BW—Jul.19'41,p37). A.B.S. came a cropper when the war shortened drug supplies.

Now Christianson has dipped into some magazine experience he had with the Reader's Digest several years ago to create a wholesaler network that will handle small, easy-to-display items on

an exclusive basis.

• Twin Advantages—Presumably the new pipeline will have the advantages of the magazine wholesalers' widespread acquaintance with drug, candy, and confectionery retailers, and an automatic two-week sales check on a community-by-community basis.

After testing the idea more or less secretly in Minnesota, Christianson signed up "Sno-Mist" as first major client with a commission on sales for

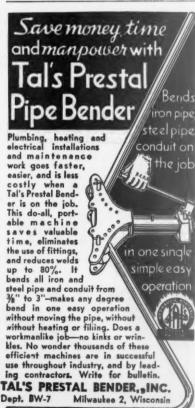
fee. The deal works thus:

In each major territory, one magazine distributor has an exclusive "Sno-Mist" distribution franchise (except in chain, syndicate, and variety stores). His margin is 20% per item, 21.4% if he takes advantage of the cash discount by settling up in ten days. The retailer's margin is 35%.

• A Carton Does It—After lining up his outlets, the distributor places a display carton of a dozen items in each, and keeps a replacement stock of 50% of all outstanding displays in his ware-house. The retailer needs no further inventory beyond the dozen items on his counter.

Once every 15 days the distributor







## He makes 5400 horses work as a smooth team

PERATING a 5400 horsepower diesel locomotive is a highly skilled job, and a mighty important one to you. It is Erie's modern and efficient locomotives under smooth handling which speed your products to their destination.

When the route of your shipment

is through the Erie Area, specify "via Erie".

Skilled manpower, modern equipment, and extensive facilities in all departments all along the line, assure Erie shippers the safe, dependable transportation their products deserve.

thoroughly checks his outlets, replacing any displays that have sold down to three units or less. Then he sends Christianson a post card indicating (1) the number of retailers he is servicing, and (2) how much stock is left in the warehouse. This card constitutes an order to bring warehouse stocks back to par, and is an automatic indicator of retail sales.

• Limitations—Admittedly, such a distribution system will fit only certain types of products and manufacturers. The most obvious limitation is that a manufacturer producing several lines of drugs or sundries cannot turn one of them over to the magazine fraternity on an exclusive basis without running the risk of getting his throat cut by his regular wholesalers.

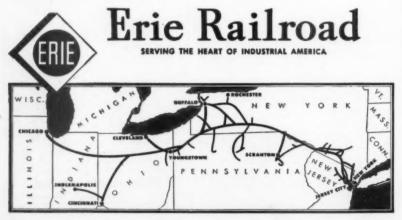
Although Christianson will accept nonexclusive franchises in special instances, this is not regular policy. The best that could be expected from a manufacturer of long lines is that he would turn out a special product under a special label for the use of the magazine pipeline.

• Must Move Quickly—There are two other circumscribing factors. One is that products must be small (so that the distributor's warehouse won't be cluttered with bulky replacement stock)



#### BUT WHO'S MOVING?

And now the prefab piano. Inventor Charles F. Stein (above) will demonstrate his come-apart 250-lb. instrument next week in Chicago before the National Assn. of Music Merchants. Designed to cut moving costs, the piano case is joined by metal pins and dowels; a magnesium string plate, similar in principle to the aluminum plate previously announced by Winter & Co. and Alcoa (BW-Nov.10 '45,p58), accounts for the light weight. Pratt, Read & Co., Inc., Deep River, Conn., will make mechanisms for the Stein unit; the type of case will be up to those who adopt the design.



you supply
(x (1)
(x (2)
(x (3)
(x (4)
(x (4

rtain arers. Lat a lines are of mity ning y his cept in-The m a the nder laga-

two e is the

clutock)

tor

tru-

fore 1er-

sts, oins ate,

um

7 iny.10 ght. ver, the

ign.

1946

HENDY DOES THE REST

Is your product still in the blueprint stage because of the present shortage of heavy industrial equipment? Bring those plans to HENDY...get your equipment built immediately.

You don't have to wait for action at HENDY...hundreds of skilled workers and technicians are ready to transform your blueprints into the machinery you need...82 acres of machine shops, foundries, assembly shops and laboratories are fully equipped to tackle your job.

Another division of the HENDY plant is available for the manufacture of industrial products on a sub-contract basis.

Don't waste valuable time...write today to

industrial machinery custom-made for you...NOW

General Equipment Department, Joshua Hendy Iron Works, Sunnyvale, California

EST. 1856

HENDY can build it!

JOSHUA HENDY IRON WORKS . Plants: Sunnyvale, California and Torrance, California . CROCKER-WHEELER ELECTRIC DIVISION: Ampere, New Jersey



Sales Offices: BOSTON - BUFFALO - CHICAGO - CINCINNATI - CLEVELAND - DETROIT - LOS ANGELES - NEW YORK - PHILADELPHIA - PITTSBURGH - SAN FRANCISCO - WASHINGTON



A recent survey among metal products manufacturers showed that in 109 out of 187 cases plans were being made to change a particular product or product part from a heavier metal to aluminum.

Light in weight, aluminum now—through the use of wardeveloped alloys—has far greater impact resistance and possesses greater tensile strength than ever before. This is the Aluminum Age!

If you are using—or can use—aluminum alloy castings in your product, submit your parts problems to Acme. Acme metallurgists are always ready to help you determine the right alloy for your needs. Acme engineers will assist if desired on any problem of design—to assure that you receive all of aluminum's many plus values.

Your inquiry will receive our prompt attention.

AGME ALUMINUM ALLUYS, ING.

DAYTON 3, ONTO

Patterns. Tools. Aluminum, Brass, Bronge Castings. Engineering

SALES OFFICES: New York Chicago Cleveland Detroit

and they must be quick-movers to merit display space on the druggist's or candy man's counter. Competing products will not be accepted.

Christianson figures that drugs, cosmetics, certain proprietary remedies, mechanical pencils, watches, and small sundries are best suited to magazine trade channels. Watches definitely are on his list because they are not a seasonal product and lend themselves well to displays.

The wholesaler network, which currently still has one or two open spots, is supposed to be completed in a few

weeks.

#### STORE LEADERS CHANGE

Women's and misses' dresses, which six years ago ranked No. 10 among department and specialty stores' major departments, are now in No. 1 place. Here, according to figures compiled by the Controllers' Congress of the Natl. Retail Dry Goods Assn., is how the 15 eading departments in the stores stacked up last year in percentage of total store sales:

Women's & misses' dresses	5.1%
Men's furnishings, hats, caps	4.3
Women's & misses' coats, suits	4.2
Furniture, bedding	4.1
Blouses, skirts, sportswear	3.7
Women's & children's shoes	3.7
Toilet articles, drug sundries	3.2
Infants' wear	3.0
Women's & children's hosiery	2.9
Draperies, curtains, upholstery	2.7
Books, stationery	2.5
Men's clothing	2.4
Miscellaneous housewares	2.4
Silk and muslin underwear, slips	2.4
Junior miss coats, suits, dresses	2.3

In general, women's and children's departments have shown strong gains since 1939. As expected, men's clothing failed to keep pace, although there is now a marked upturn in the sales of such departments.

#### FAIR TRADE FAILURE

For the second time recently, an attempt to extend the fair trade laws has failed to make the grade. This time it's Missouri that has balked. Previously it was Washington, D. C. (BW-Dec.22

'45,p86).

Defeat of the Missouri bill is credited to state Sen. E. W. Allison, whose strategy was to introduce amendments which would have made the law ineffective. One, for example, would have exempted food, clothing, medicines, farm implements, household goods, livestock and poultry feeds, building material, seed, and books from the provisions of the law. Another provided that the bill should not be construed to interfere with any part of the Missouri antitrust

This leaves the fair trade record

BUSINESS WEEK . July 13, 1946

PRIVATE ENTERPRISE - (continued)

merit andy

ducts COS-, mesmall azine are

sea-

well curts, is few

hich ong ajor ace. by lati.

: 15 ked

tore

0975

n's ins there

128 it's it 22

edse its

ec-X-

m ck

al, of ill re

st rd 46 New York's First Bank Established 1784



Personal Trusts Since 1830

## Facts for Fact Finders

The only way to divide more is to produce more. The only way to produce more is to work more. Never in history have we in America had more

MANPOWER SKILLS

MATERIALS MONEY TOOLS IDEAS

to work with . . . and a greater future to work for.

-From a published statement by Walter E. Ditmars, President, The Gray Manufacturing Co.; W. H. Whitney, President, The Whitney Chain & Manufacturing Co.; Снля. В.Соок, Vice-President, Royal Typewriter Co., Inc.; Edward N. Allen, President, Sage-Allen & Co., Inc.; Alfred C. Fuller, President, The Manufacturers Association of Connecticut

## BANK OF NEW YORK

48 Wall Street - New York 15

UPTOWN OFFICE: MADISON AVENUE AT 63RD STREET

Commercial Banking

Executor and Trustee

Member Federal Deposit Insurance Corporation



The command of the Red Oueen is as urgent today ing monarch gave it to Alice in Through The Looking-Glass. Oftentoo often nowadays-it's directed at the payroll department.

## "...and still as it was when that exact- the Queen cried *`FASTER!* FASTER!"

For safe, speedy, complete and accurate payroll posting, many industries have turned to Todd. With a Todd Payroll System, summary sheets, individual earnings records, and employees' earnings statements are completed in a single rapid operation. All supplementary information is available at once; payroll posting time is reduced by half-often more.

With an easy-to-operate Todd Payroll System, records are always accurate, up to date, and ready for inspection. The attached coupon will bring you complete details. Mail it today.

#### BRIEF EVIDENCE-

"We are more than pleased with the results of your payroll system...the accuracy of the records, the completeness of the information, and the ease with which it was obtained.'

SELECTED DAIRIES, INC., Winston-Salem, North Carolina

"We can truthfully say that the time saved by your system has been tremendous.

THE STEEL PRODUCTS CO., INC., Savannab, Georgia

#### THE TODD CO., INC., Rochester 3, N.Y.

Please give me the facts about Todd Payroll Systems that speed quarterly reports, cut payroll posting time, increase accuracy and meet all State and Federal regulations.

City County State	Dy.		BW-7-13
9-	By		
Address	City	County	Stat
	Address		-
	Company		





#### TIP FROM THE NAVY

Through a Navy electronic megaphone, a doorman at Seattle's Orpheum Theater (above) warns pedestrians to watch traffic lights-and live to see the theater's current film. The Orpheum management rents the device-an RCA model worth about \$150-for \$5 a day from a Seattle sound man. The doorman follows a script, reports the loudspeaker pays off in street attention.

where it was before the war 45 states with laws, three and the District of Columbia without

#### "SCOTCH" LABEL BARRED

Contrary to the expectations of the liquor trade, the Illinois Liquor Control Commission last week denied distillers the right to use the label "American Scotch" on domestic Scotch-type whiskies sold within the state. By federal regulation all such whiskies moving in interstate commerce must be labeled "Scotch-type."

Chairman Charles J. Fleck ruled that tests show that the domestic product "just isn't Scotch," although a blindfold test conducted by the commission had indicated that most persons could not distinguish it from imported Scotch (BW-May11'46,p82). Some in the trade think that the commission may have listened to the opinions of importers that any widespread use of the term "American Scotch" would ruffle British feelings.

The Connecticut State Liquor Control Commission has ruled that on Scotch-type whisky labels the word "type" must be as large as the word "Scotch"; that when the word "liqueur" is used the label must add, "Not a

BUSINESS WEEK . July 13, 1946

# Through Passenger Service Designed to Meet INDUSTRY'S NEEDS

Here is a new passenger train service ideal for industrial executives making business trips between the East and West Coasts. This no-extra-fare service is 10 to 18 hours faster than previous service between Chicago-St. Louis and the West Coast terminals.

## Between NEW YORK-WASHINGTON, D. C. and LOS ANGELES-SAN FRANCISCO

From New York... through sleeping-cars depart on the New York Central and the Pennsylvania railroads. On arrival at Chicago they are carried through to Los Angeles on the Transcon; to San Francisco on the Overland.

From Washington, D. C. . . . through sleeping-cars departing on the Pennsylvania are carried through from Chicago to Los Angeles on the Transcon — to San Francisco on the Pacific. Departing on the Baltimore and Ohio, sleeping-cars are carried through to San Francisco on the Pacific.

Similar service available eastbound from Los Angeles and San Francisco. No change of cars enroute in either direction.

## Between ST. LOUIS-KANSAS CITY-DENVER and PACIFIC COAST

Departing from St. Louis on the new Streamliner "CITY OF ST. LOUIS" through sleeping-cars are routed to Portland-San Francisco and Los Angeles (via Kansas City-Denver) with no change of cars enroute. Similar service is available eastbound from the West Coast.

For complete information regarding schedules, accommodations and other passenger service to or from the Union Pacific West, inquire at your local ticket office.

TO VACATIONISTS ... Union Pacific serves more western scenic regions than any other railroad. These include California, Pacific Northwest, Colorado, Yellowstone and the National Parks of Southern Utah-Arizona.



UNION PACIFIC RAILROAD

ROAD OF THE StreamlinerS AND THE Challengers

ega-

Or-

des-

live The de-

out

ittle

vs a

pays

ates t of

the

trol

ican

his-

eral

in in

that luct

sion uld

the nay imthe

onon ord ord ur"

t a



permanent and accurate-can be produced quickly and easily.

Let PORTAGRAPH provide this kind of copying service for you. Get the whole story-from your nearby Remington Rand office, or direct from the PHOTOGRAPHIC RECORDS DIVISION, Remington Rand, Inc., Room 1632, 315 Fourth Avenue, New York 10. Call on us today.

Whisky"; and that rye, corn, and bourbon "liqueurs" must be defined as whis-

#### STARTING A TREND?

The expected era of lower prices in the ball-point pen business seemed a step closer last week when Gimbel Brothers, New York, introduced a new model by Reynolds Pen Co. retailing at \$5.85. The earlier Reynolds "400" model sells for \$12.50 (BW-May4'46, p70), the Eversharp-Eberhard Faber "CA Repeater" pen sells for \$15, and a Blythe pen made by Ball Pen Co. retails for \$9.95.

Reynolds' \$5.85 model, called the Packet Ball Pen, has a detachable lightweight base in which the pen stands, point upward, on the desk and which remains on the pen in desk use. A cap is substituted for the base for pocket use. Franklin Lamb, Reynolds president. says this is only one of several new lines the company plans-possibly including a \$100 model.

P.S.

The Hill Hotel, Omaha, is promoting a reduction in bread consumption by clipping a nickel off dining room patrons' checks if they refuse bread.

The ticklish subject of discounts (BW-May25'46,p76) is now being tackled by the American Assn. of Advertising Agencies. After half a dozen big newspapers dropped the usual 2% cash discount, the 4A's began an educational campaign to show that the 2% discount incentive results in quicker

An old standby that practically has succumbed to these turbulent times is penny candy. In 1945, says the Dept. of Commerce, manufacturers' value of this lowly sweet was a mere 3% of total, as against a high some years ago of

15%

In case Crossley, Roper, and Gallup haven't heard of it, here is the latest in research technique: Chambers & Wiswell, Boston advertising agency, has just completed a survey of New England business using carrier pigeons to get quick returns on questionnaires. The job was labeled "Operation Squab."

A realistic veteran who had vainly sought an advertising agency job through regular channels last week offered a tie-in deal through Tide magazine's free classified service for ex-G.I.'s. "Wanted: Boss's Marriageable Daughter!" his ad began. The notice declared that only AAAA agency presidents "or other adequately influential advertising personages" need reply, and guaranteed "absolute satisfaction" or "your job and daughter cheerfully refunded." Five prospective employers answered-a high response for the service.

BUSINESS WEEK . July 13, 1946

No previous experience needed-

Everything on the original is on the

photo-copy. Proofreading is elim-

ALL TYPES OF BUSINESS PHOTOGRAPHY FOR ALL TYPES OF BUSINESS

not even a darkroom.

ACCURATELY ...

i

B

0

i

tl

tl

t

L

res in and a simbel new ailing 400" 4'46, Faber and a

bourwhis-

the lightands, which cap ocket dent, new y in-

o. re-

oting n by n paounts being Adozen 2%

edu-2% icker has es is Dept. ne of total,

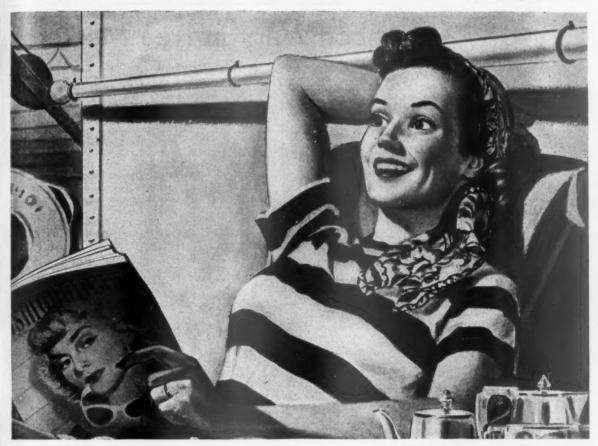
allup atest s & , has cland get The

ainly ough ed a free ited: s ad only

aderson-"aband Five

1946

## Margaret Culkin Banning has put stars in her eyes...



## ... COMMUNITY\* is making the most of her mood!

SHE'S young — emotional — starryeyed. Right now she's the model for a dream.

For, she has lost herself completely in a tingling tale by Margaret Culkin Banning, whose great stories you'll find so often between the covers of Cosmopolitan.

The finest emotional writing of our time fills every issue of Cosmopolitan, and great writing makes great reading. It makes the sort of reading that weaves a magic spell of illusion, that softens the mood, that sways the emotions.

Yes, Margaret Culkin Banning has started her dreaming. And Community is playing a part in her dream. They're showing her their selections in silverware. They're impressing her again with their famous "This Is For Keeps" theme.

She's in the mood for Community's story. She's stirred by the emotional writing of Margaret Culkin Banning, Faith Baldwin, Sinclair Lewis and all the other famous authors who appear regularly in Cosmopolitan.

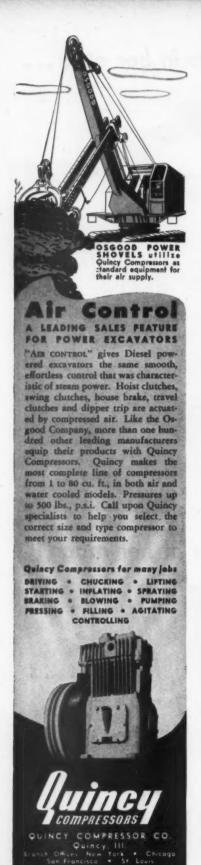
Here emotions have taken command. And emotion makes wars; emotion makes marriages; emotion makes sales!

\*A Cosmopolitan advertiser since 1916



Cosmopolitan

GREAT WRITING MAKES GREAT READING



## LABOR

## Labor Wary in Free Market

End of wage controls enables unions to take what they are strong enough to get, but present attitude tends to be peaceful, and compromises may permit industry to produce for a while.

Exactly four years ago the Little Steel formula, which the National War Labor Board established in the case brought by the C.I.O. Steelworkers Union, initiated "a new era in collective bargaining in the U. S."

By the terms of that decision, the amount of any wage increase which labor could expect from industry was "almost as irrevocably fixed as it might be by legislation" (BW-Jul.25'42,p80). Clearly, the era of government wage regulation had begun.

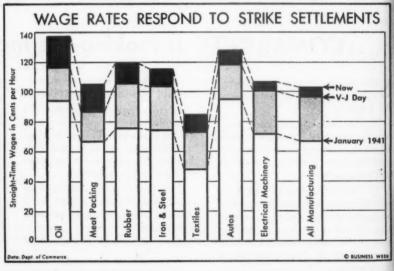
• End of an Era—Now that era has ended. When price control died at midnight, June 30, the National Wage Stabilization Board died with it, and no government authority to regulate wage rates remains. With a suddenness which it still finds bewildering, organized labor was catapulted back into a free economy; it can now get what it is strong enough to take, without let or hindrance from the state.

On the answer to the question of how it will use its freedom may hang the economic fate of a decade. For it is patent that unless industry is relatively strike-free and able to produce at capacity levels, scarcities plus uncontrolled prices will equal runaway inflation.

• A Period of Calm—The immediate effect of the end of price and wage control on the labor front was salutary. The relative calm which followed the settlement of the coal strike last month became more marked. A number of important strikes over wages were quickly settled. These included the 160-day strike at Fairbanks, Morse, the 38-day strike at Minneapolis-Moline, the 29-day strike at White Motors, and others.

On both sides—but more urgently on the part of employers—there was a disposition to settle old wage controversies quickly and dig in for whatever new developments an OPA-less period would

 Marking Time—A fortnight after organized labor was handed its new freedom by the President's veto of the modified price control bill, the nation



The decline in straight-time hourly earnings that occurred at the end of the war has been more than offset, and now, after the most strike-ridden period in its history, latest available figures (April) show American labor being paid its highest wages of all time. Oil, currently paying an average rate of 137.6 cents an hour, leads all manufacturing. All the others in this selected group of highly unionized mass production industries show sharp increases. Textiles' 75% gain since January, 1941, leads all the above groups percentagewise.

hey nace-hile. it is ively apac-pace-olled diate con-The ettle-ettle-i im-ickly 0-day 8-day y on i dis-over-new yould

free-the

S

941

SS WEEK

of the od in id its cents ip of ctiles' ewise.

1946



One of a series describing Cyanamid's many activisies

## HOW MANY BLADES CAN A BLADE CUT?

MOST LAWN-MOWER BLADES take quite a beating from pebbles, root stubs, clumps of sod and other obstacles. Thus, the steel in mower blades must be hard to stay sharp yet "soft" or resilient to withstand repeated impact without breaking.

Combining hardness and softness in one piece of steel might seem to be an impossibility. It is done quite readily, however, by special processes known as case hardening. By this method, steel products can be given a hard, wear-resistant surface of controlled thickness—over a soft, ductile shock and impact resistant core. As a result, low carbon or soft, easy-to-machine steels can be used for applications that call for high resistance to impact as well as friction and wear. Case hardening is, in fact, a devel-

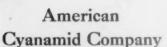
opment that has made possible the efficient and economical production of thousands of items made of steel for tools, bearings, gears, and other vital parts for transportation equipment, instruments,

business machines, appliances, and a great variety of other products. Recent and important developments in the case hardening field are the Cyanamid AEROCARB\* DeepcaseCarburizingCompounds, which permitcarburizing to depths well beyond the range of former practice.

Cyanamid has pioneered for many years in the development of better chemical compounds for metallurgical use. Today Cyanamid's AEROCASE\*, AEROCARB\* and AERO\* brand compounds are used throughout the industries engaged in making things of steel. This is another branch of Cyanamid chemistry which is contributing to our industrial progress.

Reg. U. S. Pat. Off,





30 ROCKEFELLER PLAZA, NEW YORK 20, N. Y

MOLDING THE FUTURE THROUGH CHEMISTRY



Boldly but beautifully colored shower and window curtains... a delicately shaded shower cap...baby's modern spotproof bib and mother's gay apron ... sister's stylish raincape ...

All these were fabricated from flexible films made from GEON raw materials. But they're only a handful of the thousands of exciting new products that can be made from GEON. For versatile GEON may be pressure or injection molded, extruded, calendered, cast into sheets or film, or applied as coatings to all types of textiles and papers.

And products made from GEON may have any number of unusual properties in a wide variety of combinations. For example, products made from GEON may be made resistant to water, oils, acids, foods, air, heat, cold, abrasion, mildew, cracking, creasing, and many other normally' destructive factors. They may be brilliantly or delicately colored; flexible or rigid; transparent or opaque. There are applications for GEON in literally every home, every industry.

For more information about GEON please write Department B-7, B. F. Goodrich Chemical Company, Rose Building, Cleveland 15, Ohio.



B. F. Goodrich Chemical Company THE B. F. GOODRICH COMPANY

w k

was enjoying a degree of labor peace unknown for years. Most important strikes which still continued-notably at Allis-Chalmers and Monsanto-were controversies over union security provisions-

The present period, however, has an

artificial quality that makes it a deceptive one from which to appraise the outlook. Labor is marking time.

• On the Lookout-The men who manage the unions are watching three things. First, they want to see whether Congress will enact a price control law



Hyde Park Beer . . . first choice for more than three generations...always extra good because it's extra aged!





SELDOM EQUALLED . . NEVER EXCELLED Capr. 1946, Hyde Park Brewerles Ass'n., Inc., St. Louis, Mo.

#### Two C.I.O. Steel Leaders Break Tradition

Defying the rule that high-placed labor union officials stay put, two veterans of the organization of the steel industry announced this week that they were severing old connections. Clinton S. Golden, vice-president of the C.I.O.'s United Steelworkers of America, will retire and Harold J. Ruttenberg, research director, will become vice-president of the newly formed Portsmouth Steel Corp.

A third steel union hierarch, Joseph Scanlon, who has been in charge of the organization's job evaluation and incentives department, may shortly announce his acceptance of a teaching post at Massachusetts Institute of Technology.

• Missionary to Business-Golden, who was elected to his first union office in 1906, has come to hold an unusual place among representatives of U. S. labor. Although his capacities in other fields of union operation are equally unusual, he has been most notable as an interpreter of unionism to business. Many an industrialist, after hearing Golden speak before some trade association convention, has walked off remarking to a colleague, "Well that's the first union

boss I ever heard make sense.' What he usually means is that he's listened to a practical idealist with a perspective broad enough to understand management's point of view, and he's listened to him, not across the bargaining table where discussion gets shrill, but in the calmer atmosphere of the conference room.

Golden, his health permitting, will doubtless continue his missionary work, operating out of his farmhouse home in Bucks County, Pa. He will also accept assignments to represent the C.I.O. before federal agencies.

• Moves to Steel Job—Ruttenberg,

32 years old to Golden's 58, is one of the comparatively new breed of labor technicians. Trained as an economist with special emphasis on the iron and steel industry, his contributions to the union's advances when it had to travel by briefs rather than by picket lines have been of considerable importance. His professional standing is attested by the fact that he is scheduled to be Portsmouth Steel's sole vice-president and that his jurisdiction will cover all phases of the company's interests, among which labor relations is only

In his new post, Ruttenberg will divide his time between the corporation's affairs and the private interests of Cyrus Eaton, Portsmouth's board chairman. Eaton, who was personally welcomed into the steel industry by C.I.O. president Philip Murray, will use Ruttenberg as his expert on the industry.



Clinton S. Golden



Harold J. Ruttenberg



IMPORTERS OF

**QUALITY COFFEES** 

AMERICAN ROASTERS

AMERICAN MERCHANDISE

EXPORTED TO

**COFFEE-PRODUCING** 

COUNTRIES

#### OTIS. MCALLISTER & CO.

World Traders Since 1892

310 Sansome St., San Francisco 4

Canal Building, New Orleans 12

LOS ANGELES CHICAGO NEW YORK

## **35 YEARS** HANDLING EXPERIENCE to help you.

As a pioneer in the materials handling field, Mercury has over 35 years' experi-ence designing, manufacturing and in-stalling handling equipment. This ex-perience is available to you without cost or obligation. For on the spot consulta-tion, ask a Mercury Sales Engineer to



TRACTORS and TRAILERS: Choice of "Tug" electric tractor or "Banty" gas tractor. A complete line of industrial



PLATFORM LIFT TRUCKS: Low and high lift models. "Standard" 4,000 lb. capacity, "Senior" 6,000 lb. capacity.



FORK LIFT 'TRUCKS: "Jeep" 2,000 lb. "sitdown" model and "Yak" and "Yank" 4,000 and 6,000 lb. "stand-up" center control models.

If you baren't obtained a copy of Mercury Bulletin 201-6 write today.



### THE LABOR ANGLE

#### Basic

Five Republican congressmen who have not become identified as either pro- or anti-labor have introduced in the House H. R. 6912, 6913, 6914, 6915, and 6916. These bills, fully identical in every respect, advance the most direct and basic proposal yet offered in legislative form for dealing with the great question: How can big strikes be prevented at a mini-mum cost to democratic processes?

All other measures which have come before Congress ostensibly addressed to this problem have either (1) temporized with the issue or (2) diffused their potential effectiveness by being aimed at a scattering of tar-

gets.

The temporizing measures have called for the rejuggling of existing administrative machinery and contained little more than a fervent hope that new names for old operations would attract labor cooperation in the amicable settlement of disputes. Proposals of this type have been sponsored by prolabor legislators when they were persuaded that some bill had to be supported if more drastic attacks on the union movement were to be defeated. The second type of legislation is typified by the vetoed Case bill, in which its supporters' interest in union regulation-an issue distinct from strike control-got in the way of their concern with work stoppages.

#### Subordinated

Two very cogent reasons explain why legislative proposals dealing with the strike problem have been out of focus. They have been designed to subordinate either the interests of employers to labor or those of labor to employers. Each would maintain the prerogatives and sovereignty of one group at the expense of the other. And their progress through Congress has always depended on whether there was, at the time, a prolabor or proemployer majority.

Perhaps this is the only practical method of legislating on this subject. If it is, then the five bills introduced Representatives Auchincloss, Hale, Herter, Heselton, and Case of New Jersey have little chance of passage. They call for exactly the type of treatment for major labor disputes which was reported here as being the only practical method "if

totalitarianism is to be avoided when legal sanctions to prevent strikes are enacted" (BW-Jun.15'46,p79). What may make these bills utopian is the fact that they bear with equal force on both employers and labor unions.

wh CHI into

Sec and iter

imp

tim

who

boo

way

dou

fact

stri

edl

wel

. (

mil

a I

WOI

the

hav

thu

tak

issu

ius

way

the

wo

ers

oth

wh

rea

can

stri

· I

per

at

mo

prie

a c

rup

dic

bor

wag 5%

the Ch

enc

squ

vea

. 7

test De

bor

the

qua

wag

be

gain

wil

BU:

These bills would first of all amend the judicial code so that, once the President declared that a labor dispute endangered the public health or safety, the courts could enjoin strikes. This would be done by putting the police power behind prohibitions on calling, authorizing, or assisting in any strike or lockout, and banning picketing, and payment of strike benefits. The courts would also be empowered to enforce presidential orders to rescind all directions or authorizations to strike or lockout. Such a full and direct mobilization of the government's police power would break a strike.

#### Impartial

The bills then go on to establish a method for the equitable settling of the disputes which underlie the controversy. This method is simply arbitration. Upon exhausting the procedure of direct negotiation and mediation, the parties must select an arbitrator of their own to render a final and binding award deciding the matters in issue. If the parties fail to agree on who shall arbitrate, each will select one from a panel of names drawn up and submitted to the President by a joint Labor-Man-agement Advisory Committee. The two arbitrators thus named will select a third member from the panel and the three together will constitute an arbitration tribunal empowered to render a final and binding award.

There can be no blinking at the fact that this is compulsory arbitra-tion of all matters involved in labor disputes-a possibility which both labor and management have fought against with vigor. Yet it does go as far as seems possible in avoiding compulsory arbitration by a caste of politically sensitive government officials. It thus removes the one major reservation which the public-favoring compulsory arbitration by appreciable majorities in all of the Gallup polls-has expressed about this method of handling labor disputes. It does so by overriding, with equal partiality, the prerogatives of unions

and employers alike.

which will satisfy them, and they are currently pouring considerable energy into a campaign to get such legislation. Second, they want to see just how far and how fast prices will rise on those items which workers buy. Third-most importantly-they want to gage the sentiments of the rank-and-file unionist on whether to initiate action for new wage boosts which may lead to a renewed wave of strikes.

That wages will go up is not to be doubted. The big question is: Will they go up peacefully or by strikes? Those factors which weigh in the direction of strikes have been minutely and repeat-edly examined since V-J Day and are well known.

· On the Other Side-Not nearly so familiar are those influences which exert a pull in the opposite direction and would, if decisive, mean that for at least the next six months industry would have its chance to deliver the goods and thus by means of increased production take the dynamite out of the wage issue by bringing prices down.

Contributing to peaceful wage adjustments now is, first of all, the state of mind of labor. The greatest strike wave in history is barely behind us, and the direct cost of those strikes both to workers directly involved and to workers whose jobs were suspended because other plants were shut has not been anywhere near made up. There is every-where apparent now in labor circles a disposition to take a little less-if it is really just a little and not a lot-if it can be had without the necessity of striking.

• Production Put First-There is also perceivable a disposition on the part of at least some employers to give a little more, on the assumption that in a freely priced, goods-hungry market, wages are a consideration subordinate to uninterrupted output.

Add to these factors a hesitancydictated by strategy-on the part of labor leaders to initiate determined new wage drives with the cost of living up 5% this month when it may be up 10% the next month and twice that by Christmas. Such factors may be just enough to enable the economy to squeeze through the crucial next halfyear without too serious dislocations caused by strikes.

• Test Is Imminent-In any event, the test will not be long delayed. The Dept. of Labor has analyzed 99 key labor contracts and has found that 71 of them, covering almost a million and a quarter workers in firms which commonly set industry wage patterns, have wage reopening clauses.

Within the next 30 days, unions will be exercising their prerogatives to bargain out new pay levels, and the question of peace or war on the labor front

will be finding an answer.



Ya mean all we gotta do is just jump over that fence?"

JOU can't blame our plug-ugly Y for being perturbed – he has run up against Cyclone Fence before. His only hope for an easy haul is to find some other plantmaybe yours-that hasn't yet installed Cyclone protection.

For long term security, you can't beat Cyclone Chain Link Fence. Sturdy construction provides stamina. Special design features keep gates from dragging or posts from getting out of alignment. Your fence stays tough, taut and true.

Let us help you plan efficient

protection for your own plant there's no obligation involved. We'll send you free, upon request, a copy of our fact book showing the many types of fence available to meet your special requirements.

Or our trained engineers will be glad to assist you in making the most effective use of U·S·S Cyclone Fence and other Cyclone safeguards for your property.

CYCLONE FENCE DIVISION (AMERICAN STEEL & WIRE COMPANY)

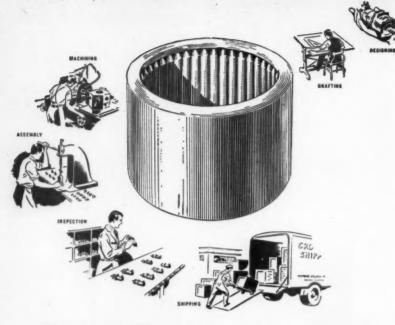
Waukegan, Ill. • Branches in Principal Cities United States Steel Export Company, New York

## Clip this coupon—and send it to: Cyclone Fence, Waukegan, Ill., DEPT. 466 We'll send you our free, 32-page book on fence. It's full of facts, specifications, illustrations. Shows 14 types of fence. Before you choose any fence for your property, get the facts about Cyclone.

Interested in fencing: [ Industrial; [ School; [ Playground; Residence, Approximately.....

STATES

BUSINESS WEEK . July 13, 1946



## Here's Anti-Friction Performance for Assembly Lines, too...

One thing about using Torrington Needle Bearings that the plant men appreciate is the way they can help to speed up the efficiency of assembly lines.

It's not only that their unit construction simplifies handling and speeds installation. The advantages start right back in the design stage where their small size and light weight help to solve many related design problems.

Then getting ready for production is easier, too. No elaborate tooling-up is necessary—a plain bore, machined to proper dimensions, provides the bearing housing.

Installation is a simple press fit...a single arbor press operation sets the bearing in position. No spacers or retainers are required to hold Needle Bearings in place.

And because of the efficient lubrication of this modern anti-friction unit, special or complicated systems for lubrication are never required. Even oil seals are unnecessary in many applications.

So, when you adopt the use of Needle Bearings, you can count on increased efficiency of your own production lines. And that's something we're all looking for these days.

Our engineering department will gladly assist you in securing full benefits from the use of Needle Bearings.

#### THE TORRINGTON COMPANY

TORRINGTON, CONN. SOUTH BEND 21, IND.
Offices in All Principal Cities

## TORRINGTON NEEDLE BEARINGS

## On the Other Foot

and

01

S

gl

CC

B

OL

to

fe

de

by

E

C

sti

pr

pe

th

pla

the

ser

cas

and

end

flo

Un

iza

aga

BU:

Frankensteen, in employer role now, has chance to prove his arguments of C.I.O. days about workers' rights.

Richard Frankensteen, a critic of industry as a vice-president of the C.I.O. United Auto Workers, will have a chance to prove his past contentions that management can do more for its workers. Franksteen followed his recent resignation as an auto union official by establishing a new Detroit firm, Frankensteen Mfg. Co.

• Two Firms Absorbed—The new firm was incorporated in Michigan for \$50,000 by Frankensteen and Harry Freedland, former president of Braden Tool & Die Co. Physical assets are built on the interests of two firms absorbed by the new concern, Donnelly-Powers Tool & Die Co. and the Braden firm.

Equipment is now on order and some is already being installed. Plans call for two divisions, one to do stamping work, the other to function as a tool and die shop.

The stamping operation will be the larger. Equipment specified and orders on the books point toward an employment total of about 350 in this division, Frankensteen said. Another 100 men will work in the tool and die shop. Today's payroll, occupied mainly in getting operations ready to roll, includes around 50 men.

• No Labor Trouble Now-For a time at least, Frankensteen has no labor



Once one of management's severest critics, Richard Frankensteen, former U.A.W. officer, has his chance to do better. He's a boss now himself.

BUSINESS WEEK . July 13, 1946

problems. He took over the contract drawn between the Braden company and Local 174 of the U.A.W. The only difficulties Braden had on the score of today's controversial wage issue grew out of rates which the National Wage Stabilization Board considered too high—and Frankensteen plans to continue to pay as much as he can.

### Militant Painter

ot

/er

ve

YS

in-I.O.

ions

ent by

ink-

firm

50,-

ced-

l'ool

on

by

Cool

ome

call

oing

tool

the

ders

lov-

ion,

men

To-

get-

ides

ime

abor

Storm center of Hollywood's labor strife, Herbert Sorrell battles union rivals, employers, racketeers with equal fervor.

Herbert K. Sorrell was one of the few men in the extremely complex tangle of Hollywood labor politics with the courage to stand toe to toe with the notorious shakedown artists, Willie Bioff and George Browne, and slug it out. His efforts did not endear him to the A.F.L. hierarchy, which preferred to direct its attentions elsewhere than at an unsavory situation it could do little about. Nor has Sorrell since increased his popularity in that quarter by his close association with left-wing elements in California.

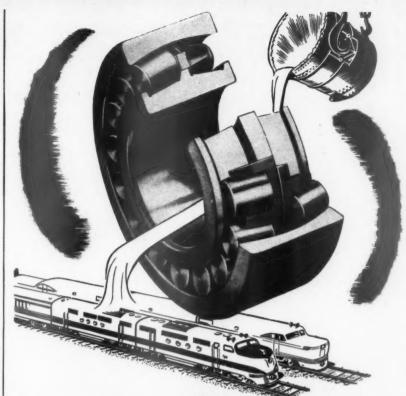
Browne was president of the International Alliance of Theatrical Stage Employees (I.A.T.S.E.) and Bioff, a Chicago hoodlum, was his personal representative in the Hollywood movie studios. Together they bled the major producer-distributors of hundreds of thousands of dollars as the price of labor peace. One of the tiles in their fantastic peace mosaic was a plan to put all the studio unions under one jurisdiction

-the I.A.T.S.E.
 • Mixed Admiration—Leaders of other unions were naturally unfriendly to the plan, but it was Sorrell, business agent of the studio painters union, who defied the racketeers and thereby helped to preserve the autonomy of the studio unions before Bioff and Browne were salted

away for long prison terms.

Much as the studios may have admired Sorrell's militance against his brother A.F.L. unionists, they had occasion last week, as they have had many times in the intervening seven years, to deplore his presence in Hollywood. Now a labor czar in his own right, and one whom high A.F.L. officials consider suspiciously close to the Communists, Sorrell pulled a flash strike, and the major studios were paralyzed for two days before he was induced to end the walkout.

• Bargaining Groups—Sorrell's power flows from the Conference of Studio Unions (C.S.U.), a bargaining organization he put together, as a defense against the jurisdictional ambitions of



SWELLING THE Stream OF STEEL

Rails, beams and girders in a steady stream are needed to carry forward unparalleled construction programs for railroads, bridges, subways and pipe lines . . . an unabated demand which highlights the importance of better methods and greater speeds in steel production and processing.

Increased efficiency at every stage of production...uninterrupted performance of all types of machinery... these important requirements lead naturally to the selection of smoothrunning, long-life Torrington Bearings for steel mill applications. And in many other places where dependability and minimum maintenance costs are important in the paper, oil and construction industries, Torrington Bearings are providing long-term, low-cost performance in virtually every type of heavy-duty equipment.

Designing and constructing large, custom-built bearings for ordinary or unusual applications is all in the day's work for Torrington's Bantam Bearings Division. Long specialization in this field provides our engineering department with the extensive experience needed to help solve the friction problems in machines you design, build or operate.

THE TORRINGTON . COMPANY SOUTH BEND 21, INDIANA - TORRINGTON, CONN.

Offices in All Principal Cities

## TORRINGTON BEARINGS

SPHERICAL ROLLER • STRAIGHT ROLLER
TAPERED ROLLER • NEEDLE • BALL

BUSINESS WEEK . July 13, 1946

mer

o do

1946

Supervisory methods that win results

—a concise, practical manual showing you how to analyze your job and apply the correct methods to supervisory problems

This valuable little book explains clearly to executives, superintendents and foremen the policies and practices for managing people which will win results all along the line. It is built on methods that have actually proved successful—practical supervision, minus scientific embroidery. It covers all the problems which

occur daily—hiring, reprimanding, firing, getting cooperation, delegating authority, training workers, with the specific solutions that will show you results the first day you use the manual.

#### HOW TO SUPERVISE PEOPLE

Just published!

By ALFRED M. COOPER 162 pages, 5 x 7½, \$2.00 New 2nd Edition Geared to the needs of the peacetime industrial supervi-

This book will be of constant value to you because of the direct way it tackles the problems of dealing with people that you face every day. It will give you a clearer over-all picture of your job, and show you the influence of your supervisory activities on labor-management relationships. It covers what the supervisor wants to get done and get out of his subordinates, and the factors found in most supervisory jobs.

Specific points this manual presents:

- how to become a supervisor
  how to analyze your own job
- how to develop group morale
- when and how to delegate authority
   how to conduct a conference for educational purposes
- how to build interest, loyalty and satisfaction in workers
- how to get instructions and ideas across by personal training

See it for IO days FREE ● Mail Coupon
McGRAW-HILL Beek Co., 330 W. 42 St., NYC IS

Send me days exa- send \$2.0 postpaid.	mina	tion	on a	pprents	por	. In 10 stage, or	days I	will
Name					***			
Address		***						
City and	Sta	te			***			
Company								
Position							BW 7-	13-46
(For Ca	nadi 12 I	an Rich	price, mond	st.	ite E.,	Embassy Toronto,	Book ()	Co.,

### Collective Bargainer's Guide to Hollywood

For a clearer understanding of the issues between Hollywood movie studios and unions, here are the principal figures on both sides of the bargaining table:

• Employer Groups—Motion Picture Assn. of America, known as the Hays Office until Eric Johnston succeeded Will H. Hays as president. M.P.A.A. speaks and bargains for the major producing studios, which include RKO Radio, Metro-Goldwyn-Mayer (Loew's), Universal, Paramount, Twentieth Century-Fox, Columbia, Warner Bros., Republic, Goldwyn Productions, and Hal Roach.

Society of Independent Motion Picture Producers, now headed by Donald M. Nelson, former War Production Board chairman, includes all the major independents which are making pictures for release through United Artists and the major distributors. Among its members are Walt Disney, Mary Pickford, David Selznick, Charles R. Rogers, Hunt Stromberg, Edward Small, and Sol Lesser.

Independent Motion Picture Producers Assn., headed by I. E. Chadwick, represents small producers who release their product through Monogram Pictures and Producers Releasing Corp.

o Unions—The International Alliance of Theatrical Stage Employees (I.A.T.S.E.), which maintains 14 local unions in Hollywood, representing 12,000 workers: cameramen and camera crafts, costumers, film editors, first aid workers, sound men, laboratory workers, grips, stage carpenters, lamp operators, makeup artists and hair-dressers, projectionists, prop men, and set laborers.

Conference of Studio Unions (C.S.U.), a bargaining organization which speaks for 6,800 members in the following unions: painters (including set designers and decorators, story analysts, and cartoonists), studio carpenters, electricians, building service employees (including janitors, guards, and firemen), studio machinists, sheet metal workers.

Miscellaneous unions, not affiliated with I.A.T.S.E. or C.S.U. (about 16,000 members): teamsters, screen actors, screen extras, musicians, plasterers, federal machinists, blacksmiths, molders and foundrymen, metal polishers, office employees, culinary workers, maintenance laborers, dance directors,\* screen directors,\* art directors,\* screen directors,\* production managers,\* screen writers.\*

\* All groups except those marked with an asterisk are A.F.L. affiliates,

Browne's and Bioff's successors in the I.A.T.S.E. The C.S.U. has no standing with the A.F.L., but all save one of its member unions (the painters, carpenters, electricians, plumbers, sheet metal workers, etc.) are affiliated with the A.F.L.

The I.A.T.S.E., also affiliated with the A.F.L., maintains 14 local unions on the Hollywood lots, speaking for cameramen in all classifications, sound men, film laboratory workers, grips, lamp operators, and the like. Its territorial ambitions were epitomized in the strike last year which cut production at the major studios by 50% for two-thirds of the year.

thirds of the year.

• Costly Victory—That strike also was Sorrell's, called to resist the I.A.T.S.E.'s claim to jurisdiction over a handful of previously independent set decorators who had been awarded to Sorrell's painters union by an arbitrator of the National War Labor Board. Sorrell won the battle over the set decorators; but his 7,000 followers in the C.S.U. paid a terrific price in lost wages. And the new jurisdictional currents set in motion by the I.A.T.S.E. during the long strike make it plain that he did not win the war.

In a somewhat abortive effort to keep the studios in production during the strike, the I.A.T.S.E. chartered new local unions of carpenters, electricians, painters, and other essential crafts, and brought down the wrath of the fiercely craft-jealous A.F.L. executive council on its head. These locals were dissolved by the terms of the strike settlement, but their brief existence intensified the bitterness of the C.S.U. leadership toward the I.A.T.S.E.

• Next Round—Among the C.S.U. followers was a local union affiliated with the powerful International Assn.' of Machinists. When the A.F.L. suspended the I.A.M. some months ago, the Hollywood local of machinists became a free agent, without A.F.L. ties. The I.A.T.S.E. capitalized on this by sponsoring a new local union of machinists, under direct charter from the A.F.L. executive council, to ease out of the picture the group that had played along with Sorrell.

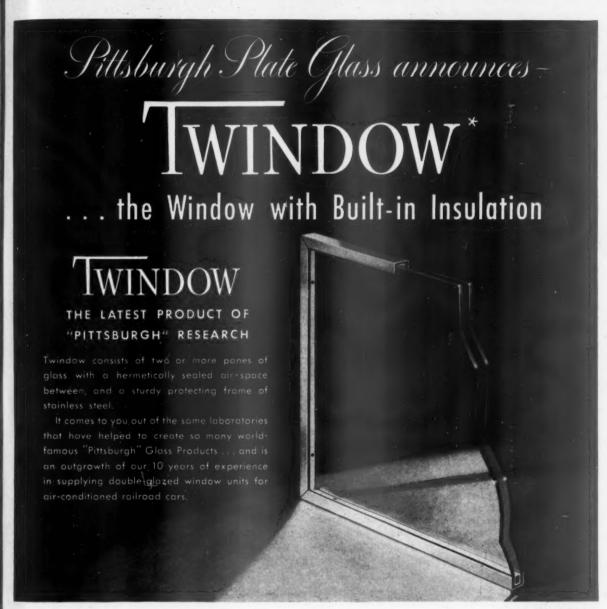
When the studios, trapped between two unions of machinists, extended recognition to the one with A.F.L. backing, sympathizers of the C.S.U. group of machinists sniped at the producers with quickie strikes. A few weeks ago bu

SAV

he

\$m

an



\* TRADE-MARK

NOW you can have large windows, and still heat your home, building or plant economically. It's possible with Twindow, "Pittsburgh's" new window with built-in insulation.

SAVES FUEL—Because it keeps cold air out and warm air in, Twindow cuts heating costs. And often this improved insulation justifies the use of smaller, more economical heating and air-conditioning equipment.

**PROTECTS HEALTH** — Twindow adds to comfort and health the year 'round by minimizing troublesome downdrafts near windows.

AIDS AIR CONDITIONING — Twindow's efficient insulating properties help to maintain desired temperature and humidity levels in any climate.

IMPROVES VISION—Twindow is ideal for picture windows in homes or for any windows where clear vision is important. Its sealed-in air space

virtually prevents condensation. INSTALLS LIKE A SINGLE PANE — Twindow is a simple, easily handled unit. It has only two surfaces to clean.

Send the coupon for full information on Twindow. Pittsburgh Plate Glass Company, 2269-6 Grant Building, Pittsburgh, Pennsylvania.

R

"PITTSBURGH" stands for Quality Glass and Paint

PITTSBURGH PLATE GLASS COMPANY

Pittsburgh Plate Glass ( 2269-6 Grant Bldg., Pit	Company ttsburgh, Pa.
Please send me, withou complete facts about 'the window with built-i	
Name	***************************************
Address	
City	State

nce /ees lo-

and edien, cararists,

ion in (inors, dio ing ors, nin-

out

lascken, culers, s,\*

an

keep

g the new cians, s, and ercely cil on ed by t, but e bitoward

. fol-

with

i. of

sus-

ago,

s be-

ties.

is by

chin-

ut of

layed

ween l recback-

roup ucers ago

1946

the



#### SHOULD THE RIGHT ADHESIVE BE?

Let's look at some individual requirements that must be flexible enough to meet all plant and field variations. A hard luggage adhesive should be easily handled and versatile. It should adhere vulcanized fiber to plywood . . . 'draw on' leather to wood, fabric, paperboard, etc., . . . bond wood molding inside sample cases . . . laminate multiple plies of veneer before shaping under heat and pressure . . . and offer exceptional resistance to weather and fungus. A soft luggage adhesive should leave bonded leathers and treated fabrics with an outstanding softness and pliability.

An upholstering adhesive should provide adequate tack and speed for hand adhering cloth to cloth, chipboard, wood, wadding, etc. It should be free from residual odor and any tendency to penetrate and stain light fabrics.

A labeling and overcoating adhesive should bond to wood, fiber, painted steel, tin and glass. It should be weather-proof, vermin-proof, age-proof.

It doesn't matter whether your adhesive problem is a run-of-themill packaging, converting, assembling job or a brand new postwar problem. National is interested in creating an adhesive formula that will meet your individual requirements . . . provide sufficient flexibility for material and commercial variations . . . withstand all extremes of shipping and consumer uses. Your inquiry is invited—Now!



Offices: 270 Madison Avenue, New York 16; 3641 So. Washtenaw Avenue, Chicago 32; 735 Battery Street, San Francisco 11, and in other principal cities. In Canada: Meredith, Simmons & Co., 14d., Toronto. In England: National Adhesives, 1td., Slough.



EVERY TYPE OF ADHESIVE FOR EVERY INDUSTRIAL USE

the studios pinched off that line of warfare by petitioning the National Labor Relations Board to decide which of the rival unions was entitled to recognition. • Wage Quickie-Thus deprived of an issue, Sorrell was blocked from calling a strike. He quickly found another bone of contention in pending wage negotiations. He had won wage increases for the handful of his followers who are employed by the Independent Motion Picture Producers Assn.-the once-in-awhile and once-a-year producers, a group dominated by such companies as Monogram Pictures and Producers Releasing Corp.

Sorrell demanded the same terms of the majors, represented by Eric Johnston's Motion Picture Assn. of America, Inc. The majors acceded to most of his demands, but balked at making the wage increases effective July 8. Sorrell, on less than twelve hours' notice, called the strike which harassed the studios last week.

• Dubious Solution—Details of the agreement that ended the strike after two days remain to be written out. They will include a 25% wage increase identical with that granted by the small independent association. But until the terms are put on paper there is no assurance that Hollywood has been freed of the problem that has harassed production for years. Even then there is no reason to believe that Hollywood producers will find the I.A.T.S.E. and the C.S.U. peaceful bedfellows.

The I.A.T.S.E. holds a powerful trump card in its control of theater projectionists. This is less important to the independent producers than to the majors, many of whom also operate chains of theaters. Whatever the majors' sympathies, self-interest dictates caution in their treatment of the I.A.T.S.E.

#### UNION PROBE ASKED

Federal antitrust investigation of the Marble, Mason & Tile Layers Union (A.F.L.) has been asked by 150 Detroit tile contractors, who as employer members of the union have been informed that after Oct. 1 they no longer will be permitted to work with their employees in filling contracts (BW-Jun.l'46, p106).

The employers, most of them with only three to five tile layers on their payrolls, said in a letter to the U. S. Attorney General's office that the union demand is, in effect, a conspiracy to put small contractors out of business, since they "cannot afford to stand around and just be bosses."

Small contractors said that large contractors—who would get the additional business if they are forced out—have agreed to the union terms restricting work by employers.

Ma

par

Par

fan

Th

spa

pap

cha

Oh

the

paj

pro

tw



### How many St. Regis products in this picture?

Magazines and mail order catalogs are printed on St. Regis paper. Your breakfast eggs probably came out of a refrigerator that had breaker strips and a molded inner door of Panelyte . . . the St. Regis Plastic. There's fifty pounds of family flour in the St. Regis Multiwall bag being delivered. The table-top is easy-to-clean Panelyte, as is the working space alongside the sink. Telephone books and writing pads start with trees grown on St. Regis timber land . . . pulp and paper were made in St. Regis mills.

Incidentally, if you are smoking while reading this, the chances are that your cigarette package is of St. Regis Paper. Oh yes, and if you have a sack of fertilizer or cement in the garage or basement it's probably a St. Regis Multiwall paper bag.

These examples typify the wide range of wood cellulose products which St. Regis Paper Company is supplying to twenty-one basic American industries.

St. Regis "Tacoma" bleached and unbleached sulphate pulp for multiwall bag paper, printing and specialty paper, base stock for Panelyte, and for sale to paper mill customers.

base stock for Panelyte, and for sale to paper mill customers.

St. Regis Multiwall Bags and Bag-filling Machines are providing better heavy-duty packages and faster, more economical packaging for manufacturers of food products, chemicals, building materials, feedstuffs, and fertilizers.

St. Regis Printing, Publication and Specialty Papers have a reputation for excellent performance and quality. St. Regis developments in bleached groundwood papers assure even finer lightweight printing papers in the near future.

even finer lightweight printing papers in the near future.

Panelyte — The St. Regis Plastic, because of its lightness, strength, insulation properties, and corrosion resistance, is widely used in such basic industries as the automotive, electrical, aviation, communications, furniture, and refrigeration.

Inquiries will receive prompt, careful attention from any one of the sales offices listed below.

ST. REGIS PAPER

St. Regis Products are sold by St. Regis Sales Corporation New York • Chicago • Baltimore • San Francisco

Straingham - Boston - Cincinnati - Cleveland - Dallas - Denver - Detroit - Franklin, Va. - Los Angeles - Mazareth, Pa. - New Orioans - Ocale, Flo.
No. Kansas City, Me. - Oswego - Saattle - Syracuse - Toledo - Trenton - Buenos Aires, Argentina - Soe Paule, Brazil - Montreal - Vancouver

rate maates

the

the

ion

roit

em-

red

be

ees

46,

ith

ay-

At-

out

nd

nnal

ive

ng

746

## We'll gladly take | Coal Firms Lose the extra steps



## to show the advantages of "TELETALK"



Busy executives and top personnel of any company are conscious of the need to conserve time, and make each day count. That's why they appreciate "Teletalk" when they start using it-they save time and they eliminate the need to run around to secure information. Those businesses who have followed our recommendations by purchasing a "Teletalk" intercommunication system are numbered among our best customers, for they have considered it a business investment.

The Graybar organization is fully posted on "Teletalk," and will gladly take those extra steps to show you how it will aid you in improving business efficiency.

If you do not find a Graybar branch listed in your local phone book, write to the address below.

GRAYBAR ELECTRIC COMPANY, INC.

Graybar Building, New York City



Pennsylvania high court upholds Workmen's Compensation Act of 1937. Holdout companies must make suspended payments.

Finding no basis for claims of Pennsylvania coal companies that compensation payments under the Workmen's Compensation Act of 1937 would bankrupt them, the state supreme court last week upheld the validity of the measure. It thereby overruled a 1943 Dauphin County common pleas court decision which had favored the anthracite industry.

The ruling also affects a number of utility companies. Both industries, having made only partial payments, now must reimburse their employees to the extent of several million dollars.

• Legislative Revisions-The 1937 act provided for a maximum payment of \$18 and a minimum of \$12 weekly for permanent disability. However, those rates were in effect only from Jan. 1, 1938, to July 1, 1939. In 1939, the act was amended, reducing the minimum to \$9 weekly, but the 1945 legislature

boosted the rates to a \$20 weekly maximum and a \$10 minimum.

Initiative in contesting the 1937 rates was taken by the Rich Hill Coal Co. and the Monarch Anthracite Mining Co. in a bill in equity filed in 1939.

· Act Held Void-Four years later, the Dauphin County court adjudged the act unconstitutional, but many industries have continued to pay the benefits it provided to those disabled in the 18month period. Others, notably coal and utility companies, were required to post bond for the additional amount involved, pending a higher court ruling.

Opposition was based on the contention that scales provided would add 1114 per ton to the cost of mining coal. The state supreme court, however, pointed out that the companies were using accident figures of 1936 and 1937, whereas the number of accidents was reduced considerably during the period when the higher rates were in force.

· Only 2¢, Court Says-The high court held that the 1937 act actually represented only a 2¢-a-ton increase in mining costs.

The United Mine Workers contended that the falling off of the accident rate was due to the act, since it impelled owners to introduce more safety devices to hold compensation payments down,



#### NO STRANGERS WANTED AT THE GATES

This may be the last picture of C.I.O. men getting set to pass out literature at a gate of the Oak Ridge (Tenn.) atomic bomb plant-unless the Army changes its mind. It was taken last week just before the Army put in effect what the A.F.L. terms atomic age union busting, i.e., an order banning distribution of literature at the gates except by those employed in the plants-and wearing company badges. James F. Barrett, coordinator of A.F.L. unions at Oak Ridge, terms the order a "scheme to bring our active members . . . out on the line where their numbers can be obtained and termination [of employment] notices issued." Thus far the C.I.O., which is competing with the A.F.L. for atomic plant workers (BW-Jun.15'46,p80), has not registered a protest.



"Teletalk" intercommunication systems are a "step saver." Conveniently located on your desk, "Teletalk" makes it possible to speak personally with anyone in your organization. There is no dialing—or waiting—just flip a key and start your conversation. You can completely eliminate many of those side trips to gather information, as all information can be secured right at your finger tips.

Those who use "Teletalk" wouldn't be without it; those who haven't tried it don't know what they're missing in the way of genuine help-fulness.

"Teletalk" is available in a variety of models to meet the needs of large or small businesses. With "Teletalk," executives have an infinite chain of communication to all parts of their organization.

The naturalness of "Teletalk" tone is one of its outstanding features.

Check your phone book for the listing of the nearest "Teletalk" distributor, and let him review for you the many advantages to be had with this intercommunication system. If you do not find him listed, write Webster Electric Company, Racine, Wisconsin.



Licensed under U. S. Patents of Wastern Electric Company, Incorporated, and American Telephone and Telegraph Company

## WEBSTER

RACINE



#### ELECTRIC

WISCONSIN

Export Dept. 13 E. 40th Street, New York (16), N. Y. Cobio Address "ARLAB" New York City

Where Quality is a Responsibility and Fair Dealing an Obligation"

e at

the tion ring

dge,

ices for

est.

7 rates al Co. Mining 39. er, the the act lustries efits it he 18-

al and to post nt ining, ontend add nining

wever,
were
1937,
s was
period
ce.
court
repreminended
t rate
pelled
evices
lown.



### Porters Protest

Sleeping car union wins delay in transfer of car-moving jobs to trainmen's brotherhood. Loss of seniority feared.

For sixty years porters on some railroads have assisted trainmen in handling switches, making signals, coupling and uncoupling cars, and other duties closely connected with the actual movement of trains, work nominally restricted to members of the Brotherhood of Railroad Trainmen. Largely because they have done this work, porters have come under provisions of the federal Railway Labor Act.

• Undesirable Jobs-These duties were outside the jurisdiction of the Brotherhood of Sleeping Car Porters (A.F.L.) according to its charter, but were permitted by the trainmen and other major railroad brotherhoods because most of the porters were Negroes, barred to brotherhood membership, and the jobs were ones generally considered undesirable by the trainmen.

Last year, in revolt against the Jim Crow policy of the brotherhoods, Negro locomotive engineers, firemen, and members of train crews took first steps designed to ally themselves directly with the B.S.C.P. (BW-Aug.18'45,p104), thereby placing the porters' union in jurisdictional conflict with the trainmen.

 Transfer Demanded—Consequently it was no surprise when the trainmen demanded recently that the Missouri-Kansas-Texas R.R. transfer to members all work called for by its charter, and henceforth restrict porters to the field of caring for passenger comfort. After resisting the trainmen's pressure for a month, the railroad notified the porters' union that it was abrogating a written agreement and reassigning all work connected with car moving to its trainmen.

Asserting that the loss of the duties would result in porters forfeiting the protection of the Railway Labor Actwith a consequent loss of seniority privileges, pay, and other benefits valued on the M.-K.-T. at more than \$50,000 annually-the porters' union won an injunction at least temporarily barring the carrier from reassigning the porters' car duties. The trainmen were enjoined from exerting pressure on the railroad pending a conclusive court decision in the jurisdictional dispute.

In signing the restraining order, U.S. District Court Judge Albert Reeves agreed that "loss of these duties by the porters and the consequent loss of seniority and other rights would reduce the porters' union to impotency."

• Significant Case—Although only a

small number of porters were involved

in the mion dolph doubt union mately membe

> SOUT Des neous ganizir some t local 1 iurisdi avoid o group. Thu C.I.O.

> > time a

hoped

Their

to be

were both; be a v Rec stood tested in the Corp., C.I.O tion" dersta C.I

appea who h not g and re consid accord "shelv haps up th worke

into E

SAL On

Th

again has b order. icanis scribe strifeever, L. G tancy sters.

Ef stora by i polic was ' Truc and

local. PUSI in the M.-K.-T. case, the international union officers headed by A. Philip Randolph intervened. There was little doubt in their minds that if the porters' union loses the test case, effects ultimately may be felt by most of its 8,700 members nationally.

#### SOUTHERN TRUCE HOLDS

15

ł.

il.

ng id

n

1-

y

e

Despite intense rivalry in simultaneous A.F.L. and C.I.O. southern organizing campaigns, labor leaders in some towns, fearful that painfully built local unions might be threatened by jurisdictional struggles, are seeking to avoid clashes with the competing union

Thus officials of the A.F.L. and C.I.O. in Louisville have had for some time a "no raiding" policy, which they hoped would bar jurisdictional clashes. Their attitude was that with a major job to be done (BW-Mayl1'46,p94) there were potential members enough for both; any duplication of efforts would be a waste of time and funds.

Recently the tacit agreement withstood its first real test when A.F.L. protested C.I.O. efforts to sign up workers in the Brown & Williamson Tobacco Corp., which A.F.L. has under contract. A.F.L.'s Louisville federation asked its C.I.O. counterpart for a "clear definition" of its policies regarding the "understanding" against raiding

tion" of its policies regarding the "understanding" against raiding.

C.I.O. quickly explained it had gone into Brown & Williamson in answer to appeals from dissident A.F.L. workers who had protested that their union was not giving them satisfactory protection and real contract gains. If A.F.L. would consider the charges of its tebel group, according to C.I.O., the latter would "shelve for the time being, and perhaps permanently," any effort to sign up the Brown & Williamson tobacco workers

The truce held fast.

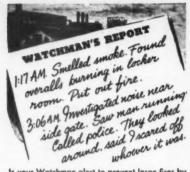
#### SALES TALK BACKFIRES

One of A.F.L.'s strongest arguments against C.I.O. in "Operation Dixie" has been that the federation represents orderly labor relations and "true Americanism" as contrasted with what it describes as C.I.O.'s "communistic" and strife-ridden activities. Recently, however, A.F.L.'s southern director, George L. Googe, was embarrassed by the militancy of the federation's Atlanta teamsters.

Efforts to organize employees of two storage and transfer firms were resisted by management, which reported to police that as a result their property was "attacked" by members of A.F.L.'s Truck Drivers & Helpers Local 728. W. T. Archer, Jr., secretary-treasurer, and W. L. Locke, field agent, of the local, were indicted on charges of







Is your Watchman alert to prevent large fires by putting out small ones-to scare off safe crackers, burglars and arsonists?

He will be if you supervise his activities with a DETEX Watchclock System. DETEX keeps an



exact-to-the-minute check on your Watchman, discourages any temptation to sleep, skip rounds or shirk duty. DETEX is foolproof, tamperproof and alibiproof. Write today for descriptive folder.

"Your Protection is our Business"

DETEX WATCHCLOCK CORPORATION

Dept. B-8 Home Office, 76 Varick St., New York 13, N. Y. Sales and Service in All Principal Cities

NS CLOCKS WATCHMENS

### REVOLVATOR HYDRAULIC ELEVATORS



Inspection Lift for Servicing Power Trucks.

No geared hoists or cables. Elevation effected by pumping oil from storage tank to ram. Any type control available. Safe, simple, economical. Ideal for short lifts, floor to floor, basement to sidewalk, ramp eliminator, car loader, press feeder, or inspection and servicing lift for trucks, cars and machinery.

For lifts of over 25 feet we recommend REVOLVATOR Traction Elevators. Revolvator Perwitten States of the control o

Write us your requirements, Revolvator Por-table Elevators and Red Giant Liftrucks also available.

REVOLVATOR CO.

2011 86th St. Est. 1904 North Bergen, N. J.

assault with intent to kill, malicious mischief, and illegal possession of firearms.

As Googe's carefully laid strategy grew shaky under the unfavorable publicity and public reaction, the federation acted quickly. Archer and Locke appeared before a meeting of the drivers' local, ac-knowledged they had been "overzealous," resigned from the union, and expressed a hope that the international union would find a way to remove the stigma their actions had caused.

The international wasted no time in taking over. Dan Tobin, whose teamsters have pulled their punches very seldom in different climates in the past. placed the offending local under a trusteeship exercised by Frank Prohl, chairman of its Southern Conference of Teamsters and an active aide of Googe in the southern drive.

#### PAY TIED TO LIVING COST

After three days of idleness, some 5,000 striking employees of the Publicker Commercial Alcohol Co.'s 14 plants in the Philadelphia area returned to work this week with a contract which provides for a scale of wages that will slide up or down according to the cost of living.

Signed at an eight-hour bargaining session, the new agreement with United Distillery Workers Local 163, C.I.O., hitches pay scales to the cost-of-living index of the Bureau of Labor Statistics. If this index, issued quarterly, shows a change greater than 3%, the worker will receive a corresponding percentage wage increase or reduction.

Unsanctioned by the union, the walkout was called by James Cassidy, president of Local 163. He said the contract expired May 15. A supplemental agreement calling for the union to submit new proposals expired two weeks prior to the strike. This was done, he said, and the company approved the changes, but did not sign on the dotted line. "Therefore," Cassidy declared, "the men felt they were trespassing on private property.

The return to work eliminated the danger that 300 carloads of potatoesused for making alcohol-would spoil on a siding at Publicker's main plant. It also left Philadelphia without a major strike for the first time in nearly nine months.

P.S.

Walter Reuther's administration of C.I.O.'s auto workers has chalked up a substantial triumph by converting a maintenance of membership clause into a union shop provision in the new Packard contract. The company, however, gets the right to terminate the agreement if the union countenances

#### Trainmen Face Decisions

The Brotherhood of Railroad Trainmen, which boasts of being the largest independent bona fide union in America, met this week in quadrennial convention in Miami Beach.

· Scheduled to last six weeks, the trainmen's meeting will take up two major questions: first, how to even the union's score with President Truman for being put on the spot during the railroad strike this spring: second-and of longer-run importance-whether to remain independent. There seems to be little doubt that Alexander Fell Whitney, the trainmen's president, who has worked closely and congenially with C.I.O. leaders, would like to take his group into the industrial union congress.

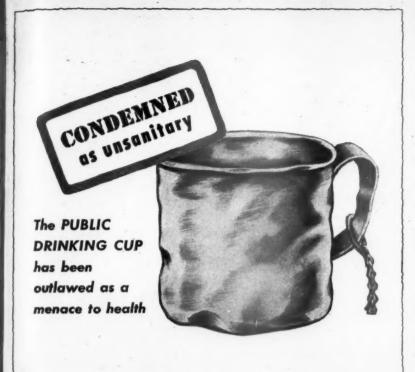
There is one great hurdle to overcome, however. The B.R.T. has become identified as the most determined anti-Negro organization in the labor movement, not even sanctioning Jim Crow locals (page 86). This is at such variance with declared C.I.O. policy that the C.I.O. would almost have to make the revocation of B.R.T.'s discriminatory practices a condition of affiliation.

• Under the circumstances, the B.R.T.'s real choice is assumed to narrow down to going A.F.L. or staying independent.

any form of production impediment. U.A.W. will reopen the wage clause in the Chrysler contract within 60 days unless Congress revives OPA and pushes prices back to the June 30 level, virtually an impossible condition.

The Louisiana governor's veto of an anti-closed shop law doesn't end the drive of some sections of southern business to get such statutes passed in all the states marked for attention in the C.I.O.'s "Operation Dixie." And in Omaha a determined campaign by the Nebraska Small Businessmen's Assn. to outlaw the closed shop by amendment of the state constitution is gathering momentum.

R. H. Macy & Co. in New York, caught in a complicated labor dispute to which it is not technically a party, is uncertain about its delivery service from day to day. When it sold its trucks to United Parcel Service (BW-Jul.6'46, p41), its C.I.O. drivers had to be covered by U.P.S.'s closed-shop contract with A.F.L.'s teamsters. They prefer one local, but the teamsters insist they go into another. Result is disaffection which has already stopped the delivery of Macy furniture.



## but does your <u>Toilet Tissue</u> Service meet Sanitary requirements?

NO

in roll form, because such tissue is constantly exposed to unclean or infected hands.



YES

i. . . if it is Onliwon tissue, because locked cabinets protect the paper from dirt and careless hands.



Nothing is more important in equipping employee and public washrooms than selecting the type of toilet tissue that will meet rigid sanitary requirements.

A. P. W. manufactures tissue in roll form but does not recommend this type for employee and public washrooms because every precaution should be taken to protect employees and other users against infection and carelessness.

Sanitary considerations, as well as good employee and public relations, dictate the choice of *Onliwon Tissue*—dispensed from locked cabinets to guard against dirt—and touched only by the hands of the user.



FREE—To executives whose responsibilities include building better employee relations.

This illustrated booklet...
written with particular reference to women's washrooms ... contains frank
facts every employer should
know. Please use coapon
or make request on business letterhead.

Industrial Division, Room 102 A. P. W. Products Company, Inc. Albany, N. Y.

Please send me, without charge or obligation, a copy of "What Management Should Know about Public Washroom Problems."

Name.....

Position....

Company Name.....

City.....State.....



ONLIWON
WASHROOM SERVICE

Onliwon Towels • Onliwon Tissue
Onliwon Seat Covers

oad

fide

Mi-

the

up

to

esithe

his

ain be

ell

esind

ers,

to

Т.

ost

zaiot

als ri-

CV

ost of

es

he

to

or

nent.

davs

and

evel,

f an

the

busi-

the

in

i. to

ring

ork,

rom s to

'46, covract

one go

tion

very

1946





# "IGs"

## ARE SKILLED SABOTEURS!

"IGs" are Industrial Gremlins with an evil genius for sabotaging production. They love to upset quality, slow down output and increase processing costs in the manufacture of a wide variety of products such as foodstuffs or glass, metals or gasoline.

Many of the most successful manufacturers in their respective fields have enlisted the help of Brown Electronik instruments, with "Continuous Balance" control, to ferret out these malicious "IGs".

Brown ElectroniK instruments, with their uncanny sensitivity, precision, simplicity and ruggedness, have brought to industry an entirely new conception of process control.

If your manufacturing problem involves precise measurement and control, Brown engineers have a wealth of data and experience for your information. We invite your inquiry.

THE BROWN INSTRUMENT COMPANY, a division of Minneapolis-Honeywell Regulator Company, 4525 Wayne Ave., Philadelphia 44, Pa.

INSTRUMENTS BY PROTAIN CONTROLS BY

Honeywell

FOR YOU... If you are not receiving "INSTRUMENTATION," the Brown quarterly magazine presenting case histories of control problems now being solved for industry, have your secretary send for it. No obligation.

## THE INTERNATIONAL OUTLOOK

BUSINESS WEEK
JULY 13, 1946



In laying plans for the next twelve months, realistic executives should take into account the possibility that there will be a series of international economic jolts like those precipitated recently by the OPA mess and the sudden revaluation of the Canadian dollar.

Beyond the immediate repercussions on the mining and investment business, and the upset to foreign trade (page 93), Ottawa's abrupt revaluation of the Canadian dollar is bound to touch off a wave of rumors of similar moves by other countries.

Despite the recent huge loan to <u>France</u>, the world has little real confidence that Paris can indefinitely hold the franc at the present level.

Official comment to the contrary, <u>Mexico's</u> determination to keep the peso pegged at current rates is openly questioned.

Most important of all, the <u>British</u> pound admittedly faces a precarious future until Britain can prove that the present government's economic rehabilitation plan can be carried out successfully.

Manipulators of the Bretton Woods program are inevitably scheduled for feverish activity which, at times, is bound to appear hopeless.

Both buyers and sellers should be prepared to change their sights on the volume of business that will grow out of current loans if prices rise substantially.

Paris has already warned that its whole billion-dollar buying program must be drastically slashed if prices soar—with bad effects on France's ability to revive production in line with the present carefully drawn pattern.

#### Small borrowers are similarly worried.

Siam, which found that its first \$10 million credit from Washington barely covered the cost of 18 narrow gage locomotives, 400 railroad cars, and 1,200 trucks, is already back asking for an additional \$10 million to round out the country's barest transportation essentials.

Current international upsets will force other repercussions.

Alarmed over the mounting isolationist upsurge in Congress, government leaders like Asst. Sec. Will Clayton have already warned intimates that this country will have no bargaining position at forthcoming tariff talks and meetings of the International Trade Organization unless the present tide turns.

Don't look for foreign executives to take the lead in providing tempting trade bargains at the forthcoming preliminary ITO talks.

U. S. delegates to the recent International Chamber of Commerce meeting in Paris report that European leaders—both governmental and business—are completely cynical about the prospects for effective international action.

Almost universally, western Europeans take the stand that the U. S. cannot be trusted to remain in Europe and see that the peace is enforced.

Consequently, they refuse to make any aggressive moves that will antagonize either Russians or Germans because of the possible revenge which might be meted out later.

The peace conference in Paris at the end of the month will do nothing

PAGE 91

## THE INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK JULY 13, 1946 to allay suspicions or to create any immediate confidence in the future.

The same general lack of confidence that the U. S. will stay in Europe to patrol the peace causes Europeans to chalk up the internationalization of Trieste as a Soviet victory.

Once U. S. and British troops depart, or are slashed to a token force, they see Yugoslavia—backed by Moscow—eventually taking over, thus making Russia, in effect, a Mediterranean power.

To date, Britain's maneuvers in the eastern Mediterranean and Middle East have failed to inspire any counterbalancing confidence.

Rumors persist that some new Iranian government will, in the next few years, force Britain to accept a far less favorable lease on the oil fields along the Persian Gulf.

Bad handling of the Palestine question greatly weakens the defense base which London was supposed to be creating there to replace the former bastions in Egypt.

Unless the U. S. offers to cooperate in building and maintaining this new network of bases in the eastern Mediterranean, western Europe will continue to doubt the durability of the peace.

Keep an eye on Germany. Important developments are in the offing.

In the industrial field, the British—as expected—are holding back production because of the probable unfavorable effects on British industry.

Bone of contention at present is the Volkswagen—the "people's car" with which Hitler once promised to put Germany on wheels.

Small as the little British automobiles, the German car is 30% more powerful and, according to present estimates, could be offered for export at half the price now charged for the British midgets.

More likely to show up on world markets (because the industry has no military tie-in) are several lines of German synthetic food products developed during the war and now attracting the attention of international food experts.

Topping the list is a meat substitute made from cheese and sugar-mill byproducts.

Of greater interest to a butter-short world is a synthetic fat made from weed seeds.

Americans will be more interested in details of an artificial honey, and a peculiarly successful form of dehydrated butter.

Quietly under negotiation between London and Washington is a deal, likely soon to be consummated, whereby Siamese tin will be shipped directly to the U. S. for smelting.

Not yet settled, but definitely under consideration, is a proposal to have U.S. mining interests participate in the development of Siamese tin deposits.

The threat that all basic industries ultimately will be nationalized has its good as well as its bad points as far as British investors are concerned.

Lacking the confidence to make long-range capital investments or accumulations, British management is increasingly liberal with dividends as the Labor government's socialistic policies unfold.

Contents copyrighted under the peneral copyright on the July 13, 1946, Issue-Business Wask, 330 W. 42nd St., New York, N. Y.

BACE O

XUM

move

impo

OT

to the

dollar

the ex

cause.

dange

sulatin

mnau

Britis

BUS

Cub

trial dens

Mo

buse

dow

of l

two ship the

wer

the

eye

styr

dev

BUS

Poi

## BUSINESS ABROAD

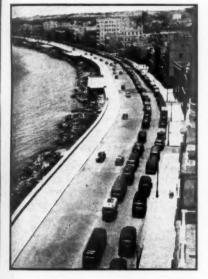
## Canadian Dollar Back to Parity

Elimination of exchange differential is only one of several moves by Dominion against inflation. Action will tend to encourage imports and discourage exports. Other nations may try it, too.

OTTAWA-After more than five years at a discount of 10% in relation to the American dollar, the Canadian dollar is now back to parity.

The immediate occasion for upping the exchange rate, but not the whole cause, was the apparent demise of OPA.

Pointing an accusing finger at the danger south of the border, Finance Minister James L. Ilsley spoke of "insulating Canada" from the effects of runaway prices in an OPA-less U. S. A British wag described the Canadian maneuver as a "depreciation of the



#### **BUS STOP**

Cuba borrows another U. S. industrial technique—this time in self-dedense. From the Hotel Nacional to Morro Castle, long lines of Havana buses (above) are idle in an 8-hr. "sitdown" to protest against the import of U. S.-made buses. Last year, only two bus chassis—value \$3,000—were shipped from this country to Cuba; in the first four months of 1946, 138 were exported—value \$247,063. And the Cuban bus and body makers are eyeing askance a trend that might stymie their own plans for pushing development of the home industry.

United States dollar." However, it was also a depreciation of the pound ster-

 Controls Retained—The shift in the dollar rate was only one of four antiinflation steps which IIsley announced in the House of Commons last week.
 Instead of revealing an anticipated speed-up of decontrol plans, these steps included:

 Promulgation of a list of commodities that are still subject to price control, which includes all articles of significance in the household budget and in the production costs of primary producers.

(2) Permission to sell all imported goods subject to price control and not specifically dealt with at the laid-down price plus a controlled markup less than normal.

(3) Continuance of import subsidies on commodities basic to the cost of living. Previous policy was to drop subsidies as quickly as possible.

sidies as quickly as possible.

• Miners Alarmed—The new list of price-controlled items effectively ends controls on a wide range of items, but leaves it firm on food, clothing, textiles, fuel, automobiles, farm implements, and building materials. The bombshell, however, was the decreed increase in the exchange value of the Canadian dollar and its anticipated effects.

A loud wail arose from the gold and base-metal miners, who stand to take a licking on the changed international value of their products and to sustain an operating loss that may put some marginal producers out of business. Likewise, promoters of "penny" gold stocks which have been luring American dollars to Canada at an unprecedented rate during the last year are expected to fold their tents.

• Gold Price Cut—The new dollar rate, for one thing, cut \$3.50 from the selling price of gold (the same amount that had been added in 1939), and mines earning their profits within that margin will probably be forced to close.

The new exchange rate added 10% to the value of more than \$5,000,000,000,000 of American investments in the Dominion. Because the revaluation is generally interpreted as a sign of strength and stability in the Canadian economy, there is little expectation that

#### Dollar Bargain Sale

Presumably the United States government was apprised through diplomatic channels (as well as by the newspapers) of the fact that Canada had decreed parity between its dollars and U. S. dollars. But nobody told the Post Office Dept.

• As a result the Post Office, proving itself strictly an amateur in international exchange, got nicked by some money-wise Detroiters.

International money orders did the trick. Ordinarily, the Detroit post office and branches sell only about \$600 worth of Canadian exchange a day. But, on the Monday after Ottawa's announcement, Detroiters began queuing up at the windows where Uncle Sam was still selling Canadian money at the old 10% differential.

• For \$100, one could buy—by virtue of Post Office largess—\$110 Canadian, which on the other side of the Detroit River could be translated into 110 bucks U.S.A.

Detroit Post Office sales of Canadian money soared to \$126,-322 before the postmaster called a halt on his own initiative.

• Then Washington, alerted at last, issued an order.

a wave of realization on Canadian holdings will occur. Early reports confirmed this view.

The rate shift boosted the low "goodwill" price of Canadian wheat to Britain (\$1.55) by 10%. It also makes Canadian vacations 10% more expensive for Americans who have enjoyed getting more for their dollar during the last five years. Canadian resort associations joined the miners in attacking the dollar-rate change.

• Trade Significance—Effects on trade will be far more important and long-lasting. Canadian price controls have held the wartime rise in the cost-of-living index to about 20% (while the U.S. rise has been above 30%). This gave Canadian products a price advantage in foreign trade that threatened to drain essential goods from the domestic market. The change in the dollar rate will discourage exports (by making them 10% more expensive) and encourage imports (by making them 10% less expensive).

At the same time, Canadian loans to foreign countries are being protected. While American dollar loans are declining in real value because of rising prices, Canada's loans (principally the \$1,250,000,000 credit to Britain) retain their real value. But they will be more difficult to repay, since debtor na-

tions will have to scrape up more of their own currency to meet the bill.

• A General Readjustment?—There is wide speculation on the possibility that other nations, in a progressively less advantageous position to buy in the American market as prices spiral upward, will adjust their currency values in relation to the U.S. dollar. It is widely believed that the dollar is over-

valued, and there might be a wave of currency appreciations if it were not so difficult to support the move. Even Canada's strong economic position failed to boost free dollar trading in the New York market to the official rate early this week.

The Canadian adjustment raises questions affecting the future of the Bretton Woods financial organizations,

particularly the International Stabilization Fund. Finance Minister Ilsley has stated, however, that the move does not violate any provisions of the international agreement. He added that Canada will ask to have the new rate established as the basing point for the Canadian dollar from which variations are allowed under the International Stabilization Fund's charter.

no

go

for

hav cast inci

mer cide

Car

con

ion

mal

tion

war

ind

war

is e

cast

basi

free

mei

gov

nat pon ope WOL mei nels Am thre piec ing mei war of i allo inci F ing that peti aski bro Air Ott mit pen • P mei mei Ho bro pro wan OWI BUS

(

## Famous Ships Slowly Return to Seaways of Peace

One by one the old familiar names of the travel ads—the Matsonia, the Queen Elizabeth, the Ile de France—are reappearing as the famous ships shed their war paint, polish up the chromium, and pull out the jerryrigged sleeping equipment installed for troop transport service.

Below are listed many of the major passenger-carrying ships, their routes, and actual or expected sched-

ules.

In addition, many other lines are racing to get ships into service. Most are delayed by tardy return of requisitioned vessels or are awaiting completion of sleek, new postwar liners. • In Preparation—Moore-McCormack, for instance, has three ships (the Uruguay, Brazil, and Argentina) being reconverted for service early next year. Alcoa Steamship's George Washington sails every Saturday for Bermuda with 270 passengers, but the line will have to wait until December for its three new 15,000-ton, 100-passenger cargo liners destined for Caribbean service.

United Fruit has one major passenger-carrying ship (the Chiriqui) being refitted for service late this year, but is awaiting release of five other vessels from war work. Atlantic Gulf & West Indies Steamship Lines is building five new ships, to be in service late this year or early in 1947. New York-Cuba Mail Lines expects to get five C-2 ships from the War Shipping Administration for service late this year.

• Irregular—Besides these services, there are many sporadic sailings of vessels carrying only a few passengers and of domestic and foreign liners not yet on regular schedules. The first postwar sailing of a Soviet passenger vessel is scheduled for late this month. Spanish and Portuguese lines continue to ply between east coast and gulf ports and the Iberian peninsula.

	Passengers	Route	Comment		Passengers	Route	Comment	
American Export Lin	es			General Meigs	1,125	San Prancisco-Phil-		
Vulcania	920	N. YNaples-Genoa	Leaves N. Y. July 20			ippines	military transport, not	
Marine Carp	947	N. YHaifa-Alexan- dria-Piraeus	Repatriation Service Leaves N. Y. July 13	Pres. Cleveland,			reconverted	
Marine Shark	947	N.YNaples-Genoa- Palermo	Repatriation Service Leaves N. Y. July 18	Pres. Wilson	552	San Francisco-Ma- nila	Ready for service fal 1946. New ship	
Cunard White Star				Pres. Polk, Pres. Monroe	98	Around the modd	Ready for service fall	
Queen Elizabeth	2,314	N. YSouthampton-	Being reconditioned — in service by early fall	Montos	90	from N. Y. via Pana- ma and Suez canals	1946. Being recon	
Queen Mary	1.005	Cherbourg	To be released by early	Matson Lines				
gueen mary	4,223		fall for refitting	Matsonia	550	San Francisco-Hono-	Every two weeks	
New Mauritania			To be released and re-	Macsonia	330	lulu	Every two weeks	
			fitted sometime after Queen Mary	Lurline	700	San Francisco-Hono- lulu	Ready first part of next year. Being re- converted now	
Swedish-American				Mariposa, Monterey	700	Undecided - prob-		
Gripsholm Drottringholm	1,425 850	Gothenburg-N. Y.	Every 14 days			ably San Francisco- Honolulu through		
Holland American						South Seas to Aus-		
Westerdam	135	Rotterdam-N. Y.	Arrived N. Y. July 8 Two weeks later			tralia and New Zea- land		
		Undecided - may	In service by end of	Grace Line				
Nieuw Amsterdam.o	ver 1,000	go into cruise service Rotterdam to N. Y. — winter cruises	year In service early next year	Santa Barbara	52	N. YPanama, Co- lombia, Ecuador, Peru, Chile	Maiden voyage June 25th	
Furness Line				Santa Cecelia	52	a a e	Ready for service mid	
Fort Amherst	110	N.YHilifax-New Foundland: N. Y	Approximately every 2 weeks	Santas Margarita, Maria, Luisa,			July	
		Bermuda		Isabel	52		Ready at intervals o	
Fort Townshend	110						two or three weeks	
muda	830	N. Y. to Bermuda and cruising	Should be in service by May or June, 1947	(Three other new ships are being built and are expected to be launched in July and August.)				
Queen of Bermuda.	730		4 4 4	Santa Rosa, Santa				
Norwegian American				Paula	225	Caribbean service	Being reconverted. Should be ready in fall	
Stavangerfjord	750	N. YBergen-Oslo	Once a month	French Line			billouna be ready in rai	
American President				Ile de France	1,600	Boston-Cherbourg-	Left June 26	
General Gordon	1,125	San Prancisco-Phil-	En route - military			Southampton		
		ippines-Shanghai- Bombay	transport, not recon-	Liberte (ex-Europa)	2,100	N. YLe Havre	Ready by August of September	

## Verdict on Radio

zahas

oes

er-

ab-

ns nal Parliamentary committee is now weighing conflict between government and free enterprise for control of broadcasting.

TORONTO—Whether Canada is to have a privately controlled radio broadcasting system (as in the U.S.) or one increasingly dominated by the government (as in Britain) is likely to be decided in the near future.

A committee of 25 members of the Canadian House of Commons will soon complete its investigation of the Dominion's broadcasting setup and will then make public its long-term recommendations. Because everyone concerned wants the problem settled so that the industry can go ahead with major postwar plans, prompt parliamentary action is expected.

 On a Mixed Basis—Canadian broadcasting at present operates on a mixed basis, half-way between the American free enterprise and the British government monopoly systems.

Canadian Broadcasting Corp., the government system, is demanding the nationalization of broadcasting, post-poned during the war. Currently CBC operates eleven stations, controls all networks, regulates the privately owned stations, and is a competitor for commercial business.

CBC wants the use of all clear channels held by Canada under the North American Havana Radio Treaty, but three of these channels are now occupied by two privately owned broadcasting stations and one provincial government station.

• Seeks Power Vantage—CBC also wants to increase power of a number of its stations and to build new stations to 50-kilowatt power. It is averse to allowing privately owned stations to increase power to the same 50 kilowatts.

Privately owned Canadian broadcasting stations, about 95 in number, argue that CBC should not be both a competitor and a regulatory body. They are asking the parliamentary committee for an impartial commission to control broadcasting, similar to the Railway and Air Transport Boards. Opinion in Ottawa is that the parliamentary committee will recommend such an independent setup.

pendent setup.
• Provinces, Too—Provincial governments may also appear before the parliamentary committee to protest a ruling by Reconstruction Minister C. D. Howe, the final licensing authority for broadcasting stations, to deny them provincially owned stations. Saskatchewan, Alberta, and Quebec want their own stations. Manitoba has two stations



## NEW ANCHOR JOINT SIMPLIFIES PIPING

MAGNILASTIC ANCHOR JOINTS permit rigid anchoring of pipe lines while permitting thermal expansion and contraction. Piping can now be anchored at a number of accessible points, to maintain alignment. But . . . varying amounts of contraction and expansion, due to differences in pipe lengths and temperatures, take place on each side of the anchor point. Magni-Lastic Anchor Joints, by varying the number of bellows diaphragms at either end as required, absorb this unequal movement and yet permit the anchor point to remain stationary.

DAMAGING SURGE PRESSURES ABSORBED... In systems where severe hydraulic surges occur, MagniLastic Anchor Joints minimize the transmission of shock to the base and adjacent equipment.

IMPORTANT SAVINGS TO USERS... Anchor Joints produce worthwhile savings in installation costs, number of fittings and space required. Even more important are reductions in maintenance costs due to damaged piping and fittings.

CUSTOM FEATURES... MagniLastic Anchor Joints are available in all standard pipe sizes and pressures to 1000 p.s.i. Welding ends are regularly supplied; pipe flanges and inner liners are optional. Special anchor mounts can be designed to user's specifications.

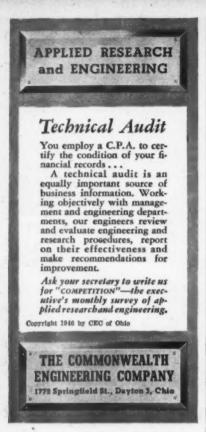
Write today for new Catalog No. 544 containing full information on the Anchar Joint as well as Magni-Lastic's complete line of Expansion Joints for all temperatures, pressures, pipe sizes, and corrosive conditions.



MAGNI ASTIC

division of COOK ELECTRIC COMPANY Chicago 14 Boston, New York (Greenwich), Buttalo, Philadelphia, Pittsburgh, St. Louis, Tulso, Dallos, Los Angeles

BUSINESS WEEK . July 13, 1946







which Ottawa wants the province to sell to CBC.

The private stations, owned for the most part by small businessmen, are pointing out to the parliamentary committee the job that they do in developing local talent.

• They Train, Others Hire—The small stations, which provide local public service and programing on a risk basis with annual renewal of licenses, protest that most of the talent and the staffs they have trained have gone to CBC and to the United States for higher pay.

In brief, most of the private stations, members of the voluntary Canadian Assn. of Broadcasters, want (1) less interference from their government-owned competitor, (2) permission from Ottawa to use all the power allowed them under the Havana treaty, (3) less arbitrary moving of frequencies for CBC stations, and (4) legislation to allow them to operate their own networks.

#### INVESTMENT SURVEY

OTTAWA—Investment intentions of private industry in Canada, compiled from a survey by the Reconstruction Dept. and the Dominion Bureau of Statistics, add up to \$1,200,000,000 for 1946.

Taken collectively, however, industry is working on the principle that a man's reach should exceed his grasp. Because of shortages of labor, coal, steel, and building materials, there is little prospect of private firms being able to do all they want to do this year in the way of construction, plant improvement, and installation of new equipment.

Allowing for bottlenecks, Reconstruction Minister C. D. Howe estimates that actual new investment by the end of the year will not exceed \$1,000,000,000. At this level it will be 20% higher than in 1945 and go a considerable way toward compensating for the decline in governmental spending which has taken place since the end of the war.

In order to give private industry as clear a field as possible for getting its projects completed, public works—except government-assisted housing and hydropower projects—are being deferred.

By industrial sectors the departmental survey of investment intentions breaks down this way: manufacturing, \$400,000,000; mining, \$25,000,000; timber operations, \$10,000,000; central electrical stations, \$75,000,000; telephones, \$50,000,000; transportation (railway, air, motor, and water) \$140,000,000. This group will account for expenditures of \$700,000,000 while other private business spending (including residential, institutional, commercial, and agricultural construction) will amount to \$500,000,000.

## Planned Exports

1929 t

· The

these

large

This v

in int

next fo

ly hal

liquida

holdin

credits

rest is

the U.

the in

ing cre

way th

diversi

legislat

During

conclu

mania,

with t

of Fre

raw m

· Hon

compo

ers. T

on lux

other

produc

for 19

ported

items:

Pigmen

Glass (

Glass (

Woole

Woole

Rayon

Cotton

Silk an

Less t

• Lux

quarte of 3.5

and 2

export

90%

produ

of "re

shippe

has is

contro

portal

factur

semin

vided

at a p

Unite

montl

of pre

were :

shipm

were

value)

BUSIN

It is

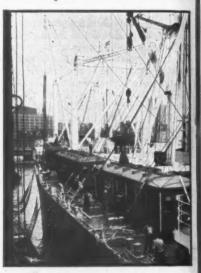
Plan

To support its economic reconstruction, France sets new foreign trade quotas and eases controls on export products.

Faced with a prospective deficit in balance of payments no less trouble-some than Britain's, France is in a more favorable position since obtaining American credits (BW-Jun.8'46,p109). But like Britain, France has been forced to set production and export targets, and to set them high enough to assure a balancing of the books by the time credits (and gold and foreign exchange holdings) run out.

France's five-year plan of reconstruc-

France's five-year plan of reconstruction and modernization (BW-Jun.22 '46,p97) calls for an expansion of production to a level 25% above 1929. French exports must rise 20% above



#### SOUTHWARD BOUND

When the Mormacgulf (above) set out from New York recently with eight veteran trolley cars for Bahia and two diesel locomotives for Rio, the event signalized a two-way revival. Trollevs-retired from service hereand diesels underscore Brazil's intent to improve and expand its transportation system. By the same token, the maiden voyage of one of Moore-Mc-Cormack's seven new liners is evidence of a determined bid for expanded coastal service by an old regular in U.S. shipping-the more significant because Bahia's rich cocoa, coffee, and cotton trade has hitherto been dominated largely by the British.

BUSINESS WEEK . July 13, 1946

1929 to balance the income and outgo. • The Cost of Modernization-Meeting these goals necessitates the import of large quantities of heavy machinery. This will result in an estimated deficit in international payments during the next four years of \$6,150,000,000. Nearly half this amount can be met by liquidating gold and foreign exchange holdings, new gold production, and credits from European neighbors. The rest is nearly met by a combination of the U.S. credit, a requested loan from the international bank, and other pending credits.

The fight for markets is well under

way through bilateral trade agreements. diversion of production to export, and legislation to encourage foreign selling. During the last fortnight France has concluded trade agreements with Romania, Sweden, and Yugoslavia, Trade with the Balkans emphasizes exchange of French manufactures for foods and

raw materials.

mic

new

ses

t in uble-

more

ning

109).

rced gets,

time

ange

truc-

n.22

929.

bove

set

vith

ahia

Río,

ival.

re-

tent

orta-

the

Mc-

evi-

ex-

old

ore

coa,

erto

ish.

946

· Home Needs Heavy-In establishing export quotas, France has recognized the compelling needs of domestic consumers. The 1946 export plan concentrates on luxury items and holds exports of other goods to a small part of total production.

Planned production (in metric tons) for 1946, and the percentage to be exported, have been set for a number of

recino.	
Pigments 2,	200 5%
Glass (sheet) 32,0	
Glass (other grades) 75,0	* 000
Carded wool 10,4	450 4%
Woolen yarn 9,0	080 . 2½%
Woolen textiles 12,0	000 . *
Rayon yarn 6,	703 2%
Cotton 21,6	* 000
Silk and rayon 2,4	164 *
-	

Less than 1%

• Luxuries Exported-During the first quarter of 1946, France exported 10% of 3,529 passenger cars manufactured, and 2½% of 13,450 trucks built. Luxury exports, however, are another story.

It is expected that between 80% and 90% of fine perfumes and art porcelain produced will be exported. About 30% of "registered vintage" wine will be

shipped abroad.

As an incentive to exports, France has issued two decrees lifting license controls from about two-thirds of exportable items, and permitting manufacturers to import raw materials and semimanufactures without limit provided the finished product is exportable at a price 200% above the import cost. • U.S. Trade-French exports to the United States during the first two months of this year were barely 25% of prewar, but sales of wine and liqueurs were at the prewar level (in value) and shipments of perfume and essential oils were considerably above prewar (in value).

#### ADVERTISERS IN THIS ISSUE

Business Week-July 13, 1946

A. P. W. PRODUCTS CO., INC	HYDE PARK BREWERIES ASSN. INC 75
A. P. W. PRODUCTS CO., INC	Agency—Gardner Advertising Co. INTERNATIONAL HARVESTER CO., INC 55
ACME ALUMINUM ALLOYS, INC	INTERNATIONAL HARVESTER CO., INC 55 Agency—Aubrey, Moore & Wallace, Inc. INTERNATIONAL MINERALS & CHEMICAL CORP 43 Agency—C. Franklin Brown & Co. IHE KAYDON ENGINEERING CORP 40 Agency—Kiau-Yan Pletersom-Dunlap Assoc., Inc. IHE LAMB ELECTRIC CO 45 Agency—Samuel C. Croot Co., Inc. LAYELLE AIRCRAFT CORP 96 Agency—Brountiel-Podmore Co.
ALLEN CALCULATORS, INC 38	Agency—C. Franklin Brown & Co.
AMERICAN CYANAMID CO	Agency-Klau-Van Pietersom-Dunlap Assoc., Inc.
Agency—Hazard Advertising Company AMERICAN TELEPHONE & TELEGRAPH	Agency—The Bayless-Kerr Co. 46
Agency—N. W. Ayer & Son, Inc.	Agency—Samuel C. Croot Co., Inc.
ARCHER RUBBER CO	Agency—Broomfield-Podmore Co. 96
ARMSTRONG CORK CO	
BALDWIN LOCOMOTIVE WORKS, INC 52	INC. 58 Agency—Briggs & Varley, Inc. 98 Agency—Briggs & Varley, Inc. 98
BANK OF NEW YORK 67	Agency—Krupnick & Assoc.
Agency—Doremus & Co. BANTAM BEARINGS DIVISION, THE	MERCURY MANUFACTURING COMPANY 76
TORRINGTON CO	Agency—Krupaick & Assoc.  McGRAW-HILL BOOK CO., INC
AMERICAN TELEPHONE & TELEGRAPH CO	BEANE Agoncy—Albert Frank-Guenther Law, Inc. METROPOLITAN LIFE INSURANCE CO 35 Agency—Young & Bubleam, Inc. MINNEAPOLIS-HONEYWELL REGULATOR CO. 70
CHAMBER OF COMMERCE (WORCESTER, MASS.)  Agency—Howard Wesson Co.  CHAMBERS BURG ENGINEERING CO. 87  Agency—Willard G. Myers Adv. Agency  THE COLSON CORP. 61  Agency—Meermans, Inc.  THE COMMONWEALTH ENGINEERING  CO. 96	METROPOLITAN LIFE INSURANCE CO 35
Agency-Willard G. Myers Adv. Agency	MINNEAPOLIS-HONEYWELL REGULATOR
Agency-Meermans, Inc.	CO. 90 Agency—Addison Lewis & Associates MONSANTO CHEMICAL CO. 53 Agency—Gardner Advertising Co.
CO	MONSANTO CHEMICAL CO
Agency—Kircher, Helton & Collett CONTINENTAL MOTORS CORP. 57 Agency—Wallace-Lindeman, Inc. COOK ELECTRIC CO. 95	### Apency—Gardner Advertising Co.  NATIONAL ADHESIVES #2  ##################################
Agency-Wallace-Lindeman, Inc.	THE NEW JERSEY ZINC CO
Agency—Technographics, Inc. Adv.	THE NEW JERSEY ZINC CO
COSMOPOLITAN 71	OTIS-McALLISTER & CO 75
CYCLONE FENCE DIV. U. S. STEEL CORP. 77	OZALID PRODUCTS DIV. GENERAL
DALLAS CHAMBER OF COMMERCE 24	Aniline & Film CORP
Agency—Technographics, Inc. Adv. COSMOPOLITAN 71 Agency—Pedlar & Byan, Inc. CYCLONE FENCE DIV. U. S. STEEL CORP. 77 Agency—Batten, Barton, Durstine & Osborn, Inc. DALLAS CHAMBER OF COMMERCE. 24 Agency—Herbert Rogers Co. DETEX WATCHCLOCK CORP. 88 Agency—Advertising Associates	PACKAGE MACHINERY CO
	PAINE, WEBBER, JACKSON & CURTIS 41
DICTAPHONE CORP. 36 Agency—McCann-Erickson, Inc.	PITTSBURGH CORNING CORP 42
Agency—Fuller & Smith & Ross Inc.	OTIS-MCALLISTER & CO. 75  Agercy—Druty Co.  OZALID PRODUCTS DIV. GENERAL  ANILINE & FILM CORP. 12  Agercy—Young & Bubleam, Inc.  PACKAGE MACHINERY CO. 41  Agercy—John O, Powers Co. 41  Agercy—Doremus & Co.  PITSBURGH CORNING CORP. 42  Agercy—Batten, Barton, Durstine & Osborn, Inc.  PITSBURGH PLATE GLASS CO. 81  Agercy—Batten, Barton, Durstine & Osborn, Inc.  PITSBURGH PLATE GLASS CO. 81  Agercy—Batten, Barton, Durstine & Osborn, Inc.
E. I. du PONT de NEMOURS & CO 27, 99 Agency—Batten, Barton, Durstine & Osborn, Inc.	
EASTMAN KODAK CO	Agency—L. W. Ramsey Co. REMINGTON RAND INC. 70
ELECTRIC INDUSTRIAL TRUCK ASSN 28	Agency—Leeford Advertising Agency, Inc.
Agency—McCann-Erickson, Inc. DRESSER INDUSTRIES	Agency—Lee-Stockman, Inc.  REVOLVATOR COMPANY  Agency—Lee-Stockman, Inc.  A
ERICSSON SCREW MACHINE PRODUCTS	Agency—Wearstler Advertising, Inc. REVOLVATOR COMPANY
CO., INC.	Agency—Lee-Stockman, Inc. REZNOR MFG. CO. 63 Agency—Meek & Thomas, Inc. 51. REGIS PAPER CO. 83 Agency—O. M. Basterd Co. SAN FRANCISCO EXAMINER. 29 Agency—Brisacher, Yan Norden & Staff SHELL OIL CO. 3rd Cover Agency—J. Walter Thompson Co. SOCONY-VACUUM OIL CO., INC. 2nd Cover Agency—Compton Advertising, Inc. TAL'S PRESTAL BENDER. 63
ERIE RAILROAD CO	Agency—Meek & Thomas, Inc.
ETHYL CORP	Agency—G. M. Basford Co.
Agency—Batten, Barton, Durstine & Osborn, Inc. FELT & TARRANT MANUFACTURING CO. 23 Agency—N. W. Ayer & Son, Inc.	SAN FRANCISCO EXAMINER
Agency-N. W. Ayer & Son, Inc.	SHELL OIL CO3rd Cover
FULTON SYLPHON COMPANY	SOCONY-VACUUM OIL CO., INC. 2nd Cover
Agency—The Griswold-Eshleman Co. GENERAL BOX CO	TAL'S PRESTAL BENDER
GENERAL BOX CO	Agency—Chas, Meissner & Assoc., Inc. TODD CO., INC.
Agency—The Buchen Co. GENERAL ELECTRIC CO	Agency—Compton Autertainty, Inc. TAL'S PRESTAL BENDER. 63 Agency—Chas. Melisaner & Assoc., Inc. TODD CO., INC. 68 Agency—The Mertill Anderson Co. THE TORRENINGTON CO.
	THE TORRINGTON CO
DIV	Agency—The Caples Co.  WARREN WEBSTER & CO.
THE B. F. GOODRICH CO	Agency—William Jenkins Advertising
Agency—The Griswold-Eshleman Co. THE B. F. GOODRICH CHEMICAL CO 74 Agency—The Griswold-Eshleman Co.	Agency—William Jenkins Advertising WASSELL ORGANIZATION
COORVEAR TIRE & BURDER CO INC TO EL	WASSELL ORGANIZATION 44 Agerep—Needham & Grohmann, Inc. THE WAYNE PUMP CO. 86 Agerep—Bonsib Adv. Ageney THE WEATHERHEAD CO. 4th Cover Agerey—Hamilton Ashelman Co. 85 Agerep—Hamilton Advertising Agency WESTINGHOUSE ELECTRIC CORP. 42 Agerep—Fuller & British & Ross Inc. WHEELING CORRUGATING CO. 33 Agerep—Rewell-Emmett Co. 33 Agerep—Newell-Emmett Co. 33 Agerep—Newell-Emmett Co. 33 Agerep—The Eventholis Co. 30 Agerep—The Fentholis Co. 30 Agerep—The Fentholis Co. 30
Agency—Kudner Agency, Inc.  GRAYBAR ELECTRIC CO	THE WEATHERHEAD CO4th Cover
W. C. HAMILION & SONS	Agency—Griswold-Eshleman Co. WEBSTER ELECTRIC CO
Agency-Gray & Bogers HEIN-WERNER MOTOR PARTS CORP 26	Agency—Hamilton Advertising Agency
Agency—Arthur B. Mogge, Inc.  JOSHUA HENDY IRON WORKS 45	Agency—Fuller & Smith & Boss Inc.
Agency—Leon Livingston Adv. Agency	Agency—Newell-Emmett Co
Agency—Leon Livingston Adv. Agency HERCULES POWDER CO., INC	WHITING CORP

## IF YOU are a subscriber to this magazine, the fixed odds that you hold one of the following titles are . . .

President or Owner 1 to 3
Vice President 1 to 14
Sales Mgr. (including
District and Asst.) 1 to 11
Management-man 96 to 1





our shipping room costs \$600 a year," claim users of Marsh Stencil Machines, Brushes, Inks! Three sizes to meet Gov't Spec., 1", 3/4", 1/2". For sample stencil, shippers' handbook and prices, pin this to business letterhead, with your name.

MARSH STENCIL MACHINE CO. 58 Marsh Bldg., Belleville, Ill., U. S. A.



## THE MARKETS (FINANCE SECTION-PAGE 34

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	177.5	177.8	178.6	144.7
	64.9	65.0	65.7	58.9
Utility	91.7	93.1	95.0	72.3
Bonds				
Industrial	123.7	123.9	123.9	122.3
Railroad	118.8	118.8	118.9	115.5
	115.5	115.5	116.0	116.8

Data: Standard & Poor's Corp.

#### **OPA Still Haunts Market**

Wall Street's celebration of the passing of OPA started out as a gala affair on Monday of last week. Brokers quickly found themselves flooded with buying orders, and 570,000 shares actually changed hands in the first hour of stock exchange trading. In the same period, also, the Dow-Jones industrial stock price index merrily zoomed up more than two points, so fervent was the desire to board the gravy train before it was too late.

Little of this early buying, however, came from sources other than local brokerage house board rooms. There was no subsequent solid response to the news, either, from the rest of the nation. When this state of affairs became known, it quickly, and thoroughly, chilled all the initial enthusiasm for industrial stocks generally.

 Volume Diminishes—As a result, prices declined as the day wore on.
 Trading likewise started to contract sharply. And volume on the Big Board next day involved but 760,000 shares, on Wednesday only 650,000, and on Friday only 490,000 shares, the smallest figure reported by the exchange since September, 1944. Also, only the industrial average rose during the week (by a little over one point).

2.73

2.63

2.53

1.83

1.63

1.53

1.43

interp

To the

that t

stocks

diagno

splitup

of the

new i

hibitir

really

p52).

issues

Wall

any re

Over-a

and a

it por

gressiv

demar

• Und

there

recent larly s

to the

000,00 400,00 by An

is now origina

was fir

to du

vately

origin:

sue h

of W

vertib

that \$100

of the

public

000 5

Wall

dispos

BUSIN

Tak

Wh

Up to the middle of this week, the story hadn't proved much more cheerful. Daily trading volumes remained well under the million-share level. Price moves were mostly sidewise, though on Tuesday some rallying proclivities, accentuated by present thin markets, were disclosed by various members of the heavy industries group, led by the steel shares.

• Much Confusion—Obviously, the market's action since July 1 indicates that considerable confusion still exists concerning the ultimate outcome of the struggle under way in Washington to reinstitute federal price controls. It is evident also that this confusion will continue as long as any threat of the resurrection of controls looms even dimly on the horizon, and it thus would be foolish to expect the 1942-4? bull market to exhibit any sustained over-all price strength until at least the most feared parts of OPA have been pronounced officially dead.

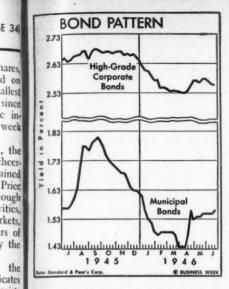
As the bulls see the current situation, the recent dullness of the market is an omen that the uptrend will be resumed once present uncertainties are out of the way.

• Another View-That, however, isn't the way the same stagnation is being

COMMON STOCKS-A WEEKLY RECORD 200 200 50 Industrials 175 175 [ttt 150 150 Week's High - Close - Week's Low (1926 = 100)75 75 65 20 Rails 55 <u>ավակակավայիսիակակակակակակա</u>կ 'uly Aug. Sept. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug. Sept. 1945 1946

Q0

BUSINESS WEEK . July 13, 1946



E 34

lares.

d on

allest

since

e in-

heer-

ough

ities.

rkets.

rs of

the

the

cates

exists

f the

n to

It is

will

f the

even

vould

bull

er-all

most

pro-

situa

arket

e re-

are

isn't

being

200

175

150

125

75

65

55

45

interpreted by less optimistic observers. To the latter, it very definitely suggests that the public now has about all the stocks it wants, and is suffering from indigestion. As confirmation of this diagnosis, they point out that stock splitups, once so bullish, have lost much of their old-time potency, and that the new issues market has lately been exhibiting a rapidly rising number of really sticky offerings (BW-Jun29'46,

Whether the stickiness in the new issues market now being referred to by Wall Street's current crop of bears has any real significance remains to be seen. Over-all opinion differs on this point, and a good many believe at the worst it portends only a somewhat less aggressive and more selective investment

• Underwriters May Lose-However, there is no doubt that almost too many recent new issues have proved particularly sticky and may cause some losses to the underwriters involved.

Take, for example, the sale of \$40,-000,000 20-year 3% debentures and 400,000 shares of 3½% preferred stock by American Airlines, Inc. The stock is now obtainable for about \$5 under its original offering price of \$102, and it was finally necessary for the underwriters to dump about 50% of the bonds privately at 96.35% of par as against an original offering price of par.

Another very slow moving new issue has been the 155,000-odd shares of Willys-Overland Motors \$4.50 convertible preferred recently offered by that company to its stockholders at \$100 a share. Less than 7,000 shares of this stock were subscribed for by stockholders, and this necessitated a public offering of the remaining 149,-000 shares. Relatively little of this, Wall Street hears, has actually been disposed of to date.

#### The Municipal Bond Market

Inflation sentiment in recent years has often been one of the chief forces behind upward moves of stock market prices. Thus far, however, such fears very definitely have not spread to sections of the security trading markets catering to the needs of "investment money," rather than the funds of the speculative-minded.

Nowhere, in fact, have inflation fears played a smaller part in determining price trends since 1942 than in the municipal bond market.

• Spectacular Rises-Unlike the corporate stock market, which is still well under its record-breaking 1929-high despite four years of rising prices and recurrent demands for inflation-hedges, municipal bonds last spring pushed through to one more new all-time peak. This duplicated their spectacular price performances in 1943, 1944, and 1945.

Another factor is even more illuminating with respect to the basic strength disclosed of late by the municipal list. This is the fact that last spring's upsurge of the group to a historic price plateau came when buyers were being confronted by many traditional inflationary symptoms (shortages of raw materials and finished goods, strikes, rising commodity prices, etc.), signs which normally would have been considered warnings to withdraw entirely from this

• Picture Changing-Since this display of price strength, the picture has disclosed some changes. Activity in municipal bonds has been at a sedate pace the last three months. Prices also have shown a slow drift downward (chart), and mid-1946 finds them virtually back to last January's levels.

This recent change in "trend," however, has merely emulated that of the government bond market (more and more the pacemaker lately for investment-grade bonds generally) since the sharp price shake-out by the treasuries in mid-April (BW-Apr.27'46,p111). Thus as yet the weakness (if it can be called such) has aroused no special concern among municipal bond market followers.

 Little Change Expected—Obviously, among experts there is difference of opinion concerning the future price

Few in that group really expect any great change in prices in the next few weeks. Some, in fact, even appear convinced that continuance of recent "cheap money" conditions (a basic reason for today's high price levels in the municipal market) is a Treasury "must." They frankly admit they're not going to worry too much over the possibility of unfavorable price trends until there are definite signs denoting a departure from the status quo.



## The EASY WAY to open a new frontier

THERE'S an unexplored market on the horizon . . . a vast land of consumers eager to buy products containing DDT! And scores of manufacturers are anxious to get a share of the new market-with products that rely on DDT as a sales feature. But to be successful, a DDT preparation must be precisely formulated!

For this reason, Du Pont offers assistance to organizations planning the development of better DDT products ... products the public can trust! The manufacturer who sees a place for DDT in his product can draw upon the wealth of knowledge gained from Du Pont's laboratory and field research.

And Du Pont can supply Technical Grade DDT that's uniformly dependable because of the way it is manufactured. It works well in either dry or liquid formulations and dissolves quickly, forming clear solutions.

If you have a DDT idea-whether for insecticides or new type productwork it out with Du Pont.

E. I. du Pont de Nemours & Co. (Inc.), Grasselli Chemicals Department, Wilmington 98, Delaware.

#### If it has to do with DDT, work it out with DU PONT



BETTER THINGS FOR BETTER LIVING . . . THROUGH CHEMISTRY

## PRODUCTION AS A CURE FOR INFLATION

"Production is the only cure for inflation." That statement has been repeated so often and so forcefully that in many minds it has acquired the status of unassailable economic dogma. The fact remains, however, that the statement greatly oversimplifies the problem of controlling inflation, which we still have with us in a big way. Taken as the sole guide to economic policy it can get us into a lot of trouble.

• Theoretically there are two general ways to go about curing inflation. One is to constrict or demobilize the supply of purchasing power available for use in bidding up the prices of the available supply of goods and services. The bidding-up process is inflation. The other is to increase the available supply of goods and services and thus dilute both the effect of the available supply of money in bidding up prices and the disposition to use it

for that purpose.

If we could step up production fast enough and far enough, we could take the inflationary potential out of the tremendous backlog of more than \$225 billion of purchasing power in the hands of the public which was built up during the war. There would be fewer dollars relatively with which to bid for the available supply of goods and services. With production zooming, there would be less disposition to rush into the market to spend. Submerging inflation under a flood of goods and services would be a particularly salubrious way of curing it, and one which should be continuously pressed if we are to cope successfully with the inflationary problem before us.

• There is no reason to believe, however, that we can step up production fast enough and far enough to cure inflation by that method alone. For one thing, new production creates new purchasing power in the form of wages, profits, etc., which are distributed to those engaged in the production. Thus the offsetting of an accumulated pool of purchasing power by new produc-

tion is a time-consuming process at best.

Also there are some lines in which the marketing process is such that an upsurge in production creates more than a balancing increase in purchasing power and thus, for a time, adds to rather than reduces the funds available to bid up prices. This is true, for example, of the production of houses, automobiles, and a considerable variety of consumer durable goods such as washing machines and refrigerators. Typically a down-payment is made, and the balance is carried by mortgage or instalment credit. When goods are sold on this basis, as goods involving a large initial outlay must be sold to secure large sales volume, the pool of available purchasing power is actually expanded, not contracted.

In many important lines of production the process of offsetting accumulated purchasing power by increased production has relatively little scope because operations in these lines are at present being conducted at close to plant capacity. In other important lines the scope for the cure of inflation by production is at present narrowly limited because of material shortages which cannot be quickly eliminated. Indeed, for the country as a whole the available labor supply is only two or three per cent away from full utilization, which will place an absolute manpower limit on the possibility of curing inflation by production.

• To be sure, even if all the manpower is absorbed, as there are prospects that it will be before long, there will still remain possibilities of increasing production substantially by increasing the efficiency both of individual plants and of labor utilization generally. The successful exploitation of all possibilities to increase the productivity of labor is, of course, not only a major part of the cure of inflation but also the key route to higher real wages. But, as is true of all possibilities of curing inflation by more production, the increasing of efficiency will take time. This fact may be obscured to some extent over the next few months by the marketing of goods which have been held back for higher prices. Available supplies wil also take a spurt when production which has been going into "pipelines" of one kind and another, such as those involved in filling dealers' shelves, starts shooting out of the end of the line. But it will still remain true that there is no quick cure for inflation by expanding production.

Under such circumstances it follows that anything approaching a thorough therapy for inflation must look to the application of that part of the cure which deals with the supply of purchasing power available for bidding up the prices of goods and services, primarily through monetary and credit controls. The urgency of this problem, which will be discussed by James H. McGraw, It. in an editorial to appear in Business Week next week, it of course, increased by the sinking of OPA. While has provided no cure for inflation, the OPA has been a stopgap, reducing in some degree the immediate urgency of basic remedies.

• With that stopgap largely gone, the need for basic remedies comes into bold relief, very late. If these remedies are to have a chance to work, there must be restraint on the part of the business community in taking advantage pricewise of a transition in public and pricing policy which should have been far better planned. If, however, we are to get through the transition and onto firm ground, one fact must be much more clearly understood than it now seems to be. It is that, while it is the best of all possible cures for inflation, production is not the only cure and alone cannot be expected to do the job before us as a nation.

ions lose cope sent can as a per bso-tion

i, as will sub-dual ssful ivity cure ages. In by take the will oing hose at o that pro-

hing look deals ding ough probprobk, is, le it been diate

basic chese it be king icing . If, onto nders the inot

\_1946

De lift

bir for ope



ALLIS-CHALMERS, big name in power production, transmission, and utilization, builds many types of equipment—from small 1-hp. motors to the great turbines developing 805,000 hp. at Boulder Dam. During manufacture, and in final operation, Shell Lubricants play many roles.

## Horsepower - "how many for you?"

Defined as a theoretical rate of work, one horsepower equals lifting 33,000 pounds to a height of one foot . . . in a minute.

Allis-Chalmers, building 1600 different sorts of power equipment, deals in terms of "horsepower." You may order it in sizes to suit your specific need.

Out of Allis-Chalmers plants come products as diverse as turbines and tractors...air compressors and cement kilns...mills for grinding flour and ore crushers. And all, in production and operation, offer special lubrication problems...

Shell Products, at Allis-Chalmers, work on jobs as varied as the company's own production. In heat-treating, a Shell Quenching Oil makes up the quenching bath—to hold "furnace-toughened" metals at the proper point. Shell supplies hydraulic oils for Allis-Chalmers hydraulic equipment. To protect castings during outdoor storage, a Shell rust preventive is used . . .

A Shell cleaner for hydraulic systems is used to precondition

the big rolling machines. Shell supplies crankcase and transmission oil for tractors produced at the great West Allis plant.

The story of Shell at Allis-Chalmers represents a big lubrication assignment—in both normal and specialized operations to speed peacetime production for this major corporation.

Yesterday's answer to a lubrication problem is seldom good enough for today. As new machines and new methods come into use, the need for *planned* lubrication is even greater. Shell's *complete* and *progressive* plan includes: study and analysis of plant and machines; engineering counsel; advice on applying lubricants; schedules and controls for each machine; periodic reports on progress.

Are YOU sure the machines in YOUR plant benefit by all that's new in lubrication? Call in the Shell Lubrication Engineer.

SHELL INDUSTRY RELY DN



# Hose does the Hula...

#### AT 1800 WIGGLES A MINUTE



THE strobotach this man using will make sure the draulic hose lines are vibrat 1800 times a minute.

This wiggling device was signed by Weatherhead engine to meet SAE specifications requing the regular testing of sam hose assemblies taken from star ard production runs.

The hose is given this grueli treatment for 200 hours to put the dependability of the compl assembly and serves to dem strate how it will stand up a years of service on automob truck, or bus.

To make the test even tough hot oil, held at 250° F. and und 45 pounds per square inch posure is circulated through those lines as they are whipp round and round.

So when you use any Weath head products, you're sure of the It's your best buy because the search and testing behind it he made it the most highly devoped, but competitive price product of its kind.

Look Ahead with

## Weatherhead

THE WEATHERHEAD COMPANY, CLEVELAND 8, OHIO



NEW YORK . DETROIT . CHICAGO . ST. LOUIS . LOS ANGELES

#### ATTENTION AUTOMOTIVE ENGINEER

Every car, truck or bus on the road today is equipped with Weatherhead drain cocks and fittings. Most automotive vehicles use from 1 to 10 other Weatherhead products. nan the

ras c gine requ sam

property of the property of th

ough l und h pr gh

eath
of th
the
it h
dev

n the with a same other other ts.